

Retail fixed voice market analysis
and
Retail fixed broadband market analysis

Draft v.2

(September 2026)

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Executive summary

Markets reviewed	M3 – Fixed wired and wireless broadband M4 – Retail wired and wireless voice
Review period	2022 – 2025
Document version	Draft v.2 (September 2026)
Legal basis	Sri Lanka Telecommunications Act No. 25 of 1991 as amended; Competition Rules No. 01 of 2024
Issuing authority	Telecommunication Regulatory Commission of Sri Lanka (TRCSL)

This report presents the results of the Telecommunications Regulatory Commission of Sri Lanka’s assessment of the **retail wired and wireless voice market** and the **retail wired and wireless broadband market** in Sri Lanka. The analysis has been carried out in accordance with the Sri Lanka Telecommunications Act No. 25 of 1991, as amended, and the Competition Rules No. 01 of 2024. Its purpose is to define the relevant markets, assess whether they are susceptible to ex ante regulation, determine whether any operator holds significant market power (SMP), identify actual or potential competition problems, and establish proportionate regulatory remedies where necessary.

The report defines a **retail wired and wireless voice market** (the retail fixed voice market) as comprising publicly available, two-way, real-time voice communication services provided to end-users at a fixed location over wired or fixed wireless networks, whether supplied on a standalone basis or as part of a bundled voice-and-broadband offer. The market is technology-neutral and national in geographic scope.

The report also defines a separate **retail wired and wireless broadband market** (the retail fixed broadband market) as comprising always-on internet access services provided to end-users at a fixed location over wired or fixed wireless networks, including xDSL, FTTx and FWA services. The market includes services supplied on a standalone basis or as part of bundled retail offers and is national in geographic scope.

Retail fixed voice market: structural decline supports withdrawal of retail regulation.

Market dynamics. The retail fixed voice market is in sustained structural decline. The voice-relevant subscriber base fell by approximately 24% between 2022 and 2025, to 1,540,438 subscriptions, while fixed voice traffic declined by approximately 52%. These trends are consistent with increasing competitive constraints from adjacent communication services. SLT remained the largest operator, although its share by subscribers narrowed from 81.4% in 2022 to 77.2% in 2025 as DBN gained ground. Revenue evidence is consistent with this assessment: neither operator appears to have translated its market position into sustained real-terms price increases, while the declining contribution of fixed voice revenue indicates a reduction in the service’s commercial importance over the review period.

Three-criteria test. Criterion 1 is met because barriers to entry remain substantial. Criterion 2 is not met—not because the market has become effectively competitive through stronger internal rivalry, but because sustained contraction and increasing discipline from adjacent alternatives limit the ability of fixed voice providers to exercise durable market power across the broader customer base. As the three criteria are cumulative, the test fails overall and Criterion 3 is not assessed separately.

Proposed regulatory approach. No additional wholesale intervention appears necessary. Interconnection and termination charges are already regulated under TRCSL Interconnection Determination No. 08 of 2010, and revision thereof made in April 2022. TRCSL therefore considers forbearing from broad ex ante retail tariff regulation under Section 6A(4) of the Sri Lanka Telecommunications Act, while retaining targeted and proportionate safeguards for dependent and vulnerable users. This approach is consistent with international regulatory practice, under which broad retail regulation may be withdrawn where a legacy service is in sustained decline, competitive constraints increasingly arise from adjacent services, and the principal upstream inputs are already effectively regulated. In such circumstances, continued market-wide retail tariff control may no longer be proportionate or justified. Regulatory intervention may instead be focused on targeted consumer protection, service continuity and migration safeguards.

Retail fixed broadband: stronger competitive dynamics, but wholesale regulation should come first.

Market dynamics. The retail fixed broadband market presents a materially different picture. Combined SLT and DBN data revenue increased by approximately 18% over the review period, and the market attracted actual entry with City Cable Links obtaining a TRCSL-approved FTTx tariff. In addition, Starlink commenced commercial satellite broadband service in mid-2025. This contrasts with fixed voice, where the third operator exited without replacement. Although satellite broadband falls outside the defined retail fixed broadband market, it imposes an external constraint, particularly in areas where terrestrial fixed networks are unavailable or of lower quality. Mobile broadband likewise remains outside the relevant market but exerts an indirect constraint on certain customer segments and lower-usage broadband offers.

SLT, the incumbent fixed-network operator, and DBN, its principal challenger, began the review period with broadly equal subscriber shares of nearly 50% each (Lanka Bell had very small number of fixed broadband subscribers). By 2025, DBN's share had increased to 58.3%, demonstrating its ability to challenge the incumbent. SLT nevertheless retained a clear lead in fixed data revenue, accounting for 71% of total market revenue, together with a materially higher ARPU. The competitive position is therefore mixed: DBN leads by subscriber numbers, while SLT retains the stronger revenue position. Neither operator holds an unambiguous lead.

Three-criteria test. Criterion 1 is met, although less decisively than in the fixed voice market, given the evidence of actual entry and the expanding revenue base. Criterion 2 is not met, because revenue growth, continued investment, new entry and emerging competitive constraints from mobile and satellite broadband indicate a prospective, longer-term tendency towards more effective competition. While this competitive development remains gradual and uneven, the available evidence indicates that market conditions are moving in the direction of greater competition. As the three-criteria test is cumulative and Criterion 2 is not met, Criterion 3 is not assessed separately.

In summary, retail fixed broadband conditions are improving, but the market is not yet competitive per se. To facilitate the further development of downstream competition and for the purposes of Rule 7.6.10, TRCSL therefore will proceed (as the next step) to assess the corresponding upstream wholesale market to consider whether proportionate wholesale intervention is warranted to address remaining access bottlenecks, facilitate service-based entry and support sustainable downstream competition and efficient investment over the forward-looking period.

Proposed regulatory approach. Unlike fixed voice, no comprehensive mandated wholesale access framework currently exists for fixed broadband. TRCSL should therefore not proceed directly to retail forbearance. The suggested sequence is to: (i) define the relevant upstream wholesale markets and complete the corresponding SMP assessments; (ii) impose targeted wholesale remedies where justified; and (iii) only then consider forbearance from broad retail tariff regulation under Section 6A(4), supported by safeguards addressing tariff and speed transparency, service quality, switching and entry-level affordability, together with continued market monitoring. This phased, wholesale-first approach is consistent with international regulatory practice. Retail broadband tariffs are generally not subject to broad ex ante regulation where downstream competition is supported by multiple providers and technologies; intervention is instead concentrated on upstream wholesale markets.

Overall conclusion. The evidence supports differentiated regulatory treatment of Sri Lanka's two fixed retail markets. Retail fixed voice is suitable for transition to targeted consumer safeguards, with no material outstanding wholesale gap. Retail fixed broadband displays stronger competitive dynamics, but wholesale market definition and remedy design should precede any withdrawal of retail tariff regulation. Both transitions should be conditional, reviewable and supported by continued monitoring of market shares, revenue, ARPU, entry, pricing, service quality and consumer outcomes.

I. Introduction

This report presents the results of a market analysis of **retail wired and wireless voice** and the **retail wired and wireless broadband** markets in Sri Lanka. The objective of the analysis is to assess the state of competition, identify potential structural bottlenecks, and determine whether ex-ante regulatory intervention is warranted in accordance with the applicable legal and regulatory framework.

Market definition and the assessment of SMP are necessary and important steps toward ensuring fair competition and the protection of consumer interests. These processes form the foundation of economic regulation, allowing regulators and competition authorities to identify markets where operators may hold market power, and have an incentive and ability to affect competition. By addressing potential market failures proactively through economic regulation (remedies), regulators can facilitate and promote competition, with a view to furthering consumers' interest.

The findings of this report will inform the TRCSL decisions on market designation, the identification of operators with significant market power, and the imposition, maintenance, or withdrawal of regulatory obligations. The review is intended to promote effective competition, encourage efficient investment in network infrastructure, and safeguard consumer interests in Sri Lanka's telecommunications sector.

In accordance with Competition Rules, 2024, the TRCSL begins the market analysis process by publishing a notice on its official website on 09.06.2025 and initiating the gathering of data. The market analysis period and the data collected from the operators consist of the period from 2022 to 2025. In conducting the market analysis, the TRCSL relies on information submitted specifically for the purposes of this review, as well as on information provided to the TRCSL on a regular or ad hoc basis under existing regulatory obligations, together with any other information relevant to the assessment of the markets concerned.

II. Current regulatory and legal framework

Telecommunications sector and its regulation in Sri Lanka are governed primarily by the following instruments:

Telecommunications Act (as amended in 1996 and 2024). Section 4(c) establishes that one of the core objectives of the Telecommunication Regulatory Commission of Sri Lanka is *to maintain and promote effective competition* among persons engaged in commercial activities connected with telecommunications, and to foster efficiency and economy in the sector. To achieve these objectives, the Act empowers the TRCSL to:

- (wa) carry out market analyses of telecommunication services to assess market dynamics and the level of competition;
- (wb) intervene to prevent the emergence or abuse of significant market power (SMP); and
- (wc) take regulatory measures to promote fair competition and eliminate anti-competitive practices.

In addition, Section 6A sets out TRCSL's authority and obligations with respect to approving or determining tariffs, which must comply with non-discriminatory and cost-oriented principles. 6A (4) foresees TRCSL's

right to forbear any tariff of any service in the whole or part of such tariff, subject to such conditions or without conditions.

Competition Rules No. 01 of 2024 establish the sector-specific competition framework for Sri Lanka's telecommunications market and provide the legal basis for conducting market analyses and imposing ex-ante regulatory obligations where necessary. The rules outline the procedures for market analysis and the identification of relevant markets and empower TRCSL to impose proportionate remedies where effective competition is lacking. In addition, Annex 1 of the rules specifies the initial set of markets to be assessed by the TRCSL. Among the retail markets identified for analysis are **retail wired and wireless voice** (hereinafter – fixed voice) and **retail wired and wireless broadband** (hereinafter – fixed broadband) markets.

Licensing Conditions. As per Sri Lanka Telecommunication Act no person is authorized to operate telecommunication system or engage in providing infrastructure services, telecommunications services or cable landing station facilities in Sri Lanka without a Licence. Licence conditions set out the terms and conditions subject to which the licence is being granted. Issued licenses explicitly prohibit cross-provisioning of services: a mobile license does not authorize the provision of fixed telecommunication services, and a fixed license does not authorize the provision of mobile services. Under Part V, Condition 22 of the SLT Licence¹ and Part VI, Condition 27 of the DBN Licence² licensed operators are required to lodge notices of tariffs with the TRCSL and to provide the specified services in accordance with the charges, terms, and conditions approved by the TRCSL. Operators shall not deviate from approved tariffs without obtaining prior written approval from the TRCSL. In addition, licensed operators are required to maintain separate accounts for licensed and non-licensed activities. This obligation is set out in Condition 23 of the SLT Licence and Condition 28 of the DBN Licence.

Fixed voice providers are also subject to certain universal-service-type obligations through their licence conditions. These include obligations relating to basic telephone service, public payphones, emergency call services, directory information and special provisions for disadvantaged users. These obligations are relevant because they preserve minimum service availability and public-interest safeguards, particularly for users who continue to rely on traditional number-based fixed voice services.

Overall, Sri Lanka's retail fixed services regulation can be characterised as a combination of licensing, tariff approval, numbering, interconnection and universal-service-type obligations.

At the wholesale level, interconnection is governed by Section 20A of the Sri Lanka Telecommunications Act, relevant licence conditions and interconnection rules issued by TRCSL. Licensed operators are required to provide interconnection upon request on transparent, non-discriminatory and cost-oriented terms. TRCSL may intervene where commercial negotiations fail, including by determining technical or commercial conditions and resolving disputes.

Interconnection obligations are further reinforced through licence conditions, which require operators to conclude interconnection agreements, ensure technical compatibility and interoperability, comply with

¹ [SLT_L_2023.pdf](#)

² [20260519102946.pdf](#)

prescribed standards and follow TRCSL determinations on wholesale charges. The detailed procedures and operational arrangements are governed by the applicable interconnection rules.

Subsidiary legislation, i.e TRCSL's regulations, rules and guidelines. In particular:

1. Telecommunications Infrastructure Sharing Regulations No 1, 2024
2. Subscriber SIM Cards (Subscriber Identification Modules - SIM) regulations No. 01 of 2019
3. TRCSL Interconnection Determinations March 2010 and April 2022
4. Broadband Quality of Service (QoS) Standard Rules No. 01 of 2025

III. Overview of telecommunications market in Sri Lanka

Sri Lanka's telecommunications sector is undergoing a significant structural shift: fixed access is contracting while mobile continues to expand (**Figure 1**).

According to the data of TRCSL, there were 29.491 million mobile subscriptions in Sri Lanka at the end of December 2025, representing a modest increase compared with 31 December 2024 (28.820 million). Having surpassed the 100% penetration mark nearly a decade ago, population penetration stood at 135.5% as of 31 December 2025 and remained stable throughout the review period, indicating that the market has reached a mature and structurally saturated stage. The decline in subscriptions observed in 2023 is understood to be partly a consequence of the country's broader economic crisis. Sri Lanka's economy entered a downturn in 2022, marked by frequent power disruptions, and shortages of fuel, raw materials, and foreign currency. These conditions depressed household and business spending, contributing to reduced demand for telecommunication services during that period.

The high level of mobile penetration is largely attributable to multiple-SIM usage, whereby consumers maintain subscriptions with more than one operator in order to manage coverage quality, pricing differentials, and service availability. This pattern is reinforced by the absence of mobile number portability, which increases switching costs and reduces incentives for users to consolidate subscriptions with a single provider. As a result, consumers often retain multiple active SIMs rather than fully switching operators, contributing to high subscription counts in a market.

Total fixed access subscriptions declined by approximately 14% over the review period, from 3.06 million in December 2022 to 2.63 million in December 2025. The contraction was driven principally by bundled subscriptions and voice-only subscriptions. Over the same period, reported fixed voice access density declined from 9.1 to 7.1 subscriptions per 100 inhabitants. Data-only subscriptions moved in the opposite direction, increasing by approximately 4% overall. Taken together, these trends indicate a market in which mobile services have become the primary mode of access for most users, while fixed access remains comparatively limited and is contracting.

Figure 1. Dynamics of mobile and fixed subscriptions, 2022–2025

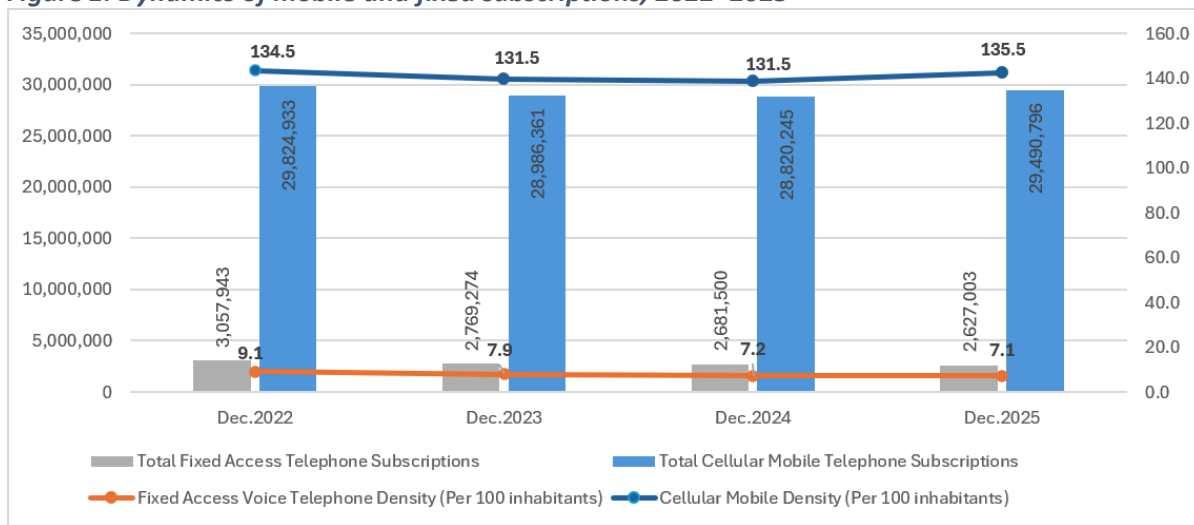
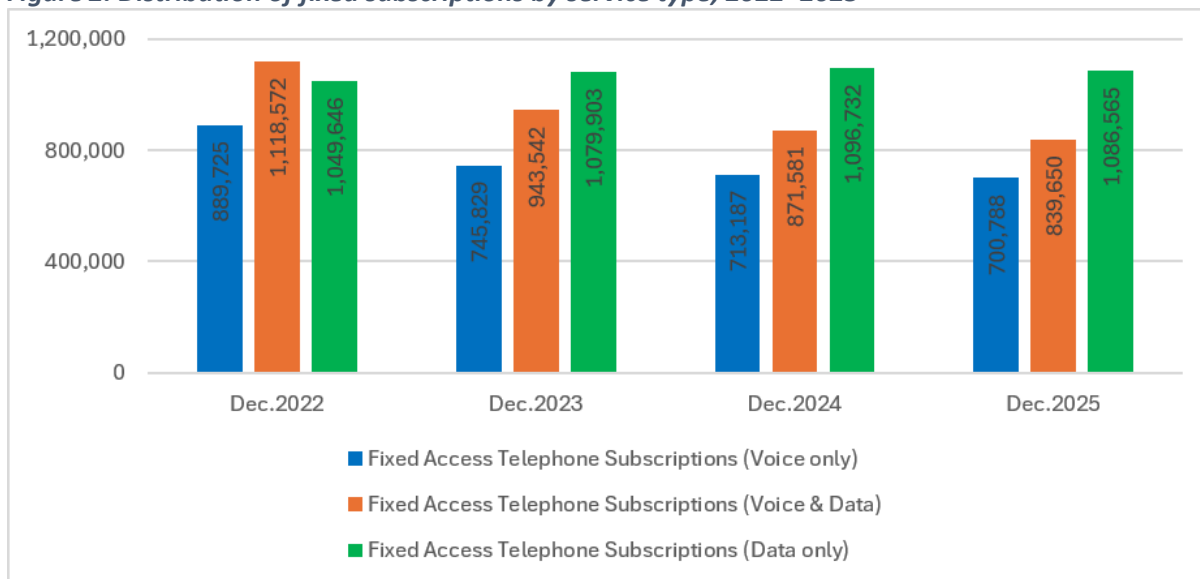
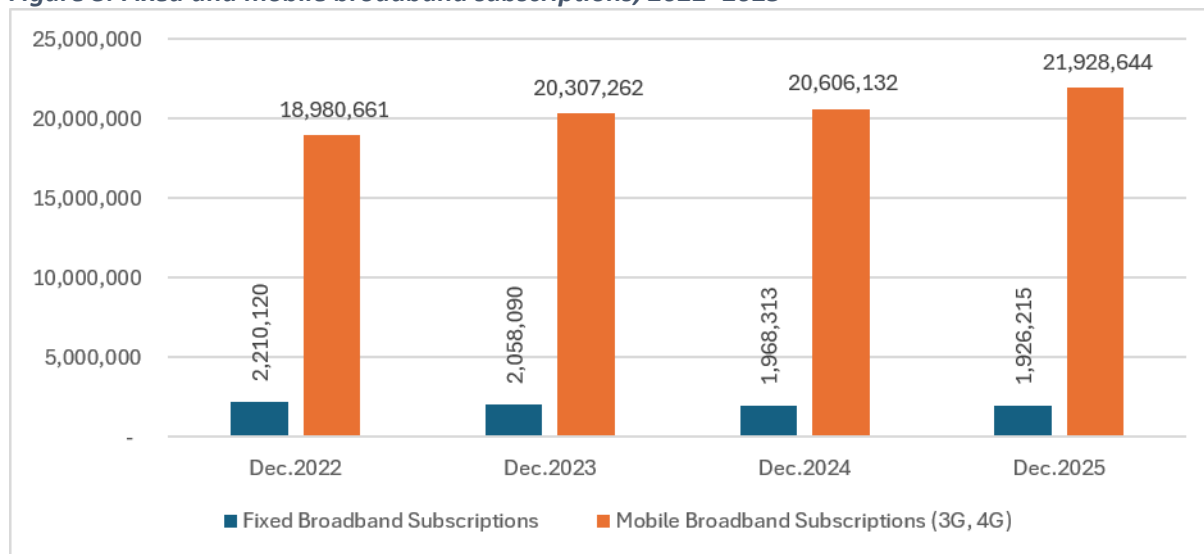


Figure 2. Distribution of fixed subscriptions by service type, 2022–2025



A similar pattern is observed in broadband penetration. According to TRCSL data, by the end of December 2025 there were 21.929 million mobile broadband subscriptions and 1.926 million fixed broadband subscriptions, representing an approximate 92/8 split between mobile and fixed broadband. During the review period, mobile broadband subscriptions continued to increase, while the number of fixed broadband subscriptions declined gradually, indicating a lack of sustained growth in the fixed segment (Figure 3).

Figure 3. Fixed and mobile broadband subscriptions, 2022–2025



The structure of Sri Lanka’s mobile market has evolved through a series of consolidation events over the past decade. In November 2018, the number of mobile network operators reduced from five to four following the merger of Etisalat Lanka (Pvt) Ltd. with Hutch. Further consolidation occurred in June 2024, when Bharti Airtel Lanka (Pvt) Ltd. (Airtel), the local subsidiary of India’s Bharti Airtel, was acquired by Dialog. Following regulatory approval and the completion of the transaction, Airtel was legally merged into Dialog with effect from 1 September 2024, ceasing to exist as a separate corporate entity on 30 August 2024, although both brands continued to be used in the market.

As a result of these consolidation processes, by December 2025 the Sri Lankan mobile market was served by three mobile network operators: Dialog, Mobitel, and Hutch. Dialog emerged as the clear market leader, with a market share of 62% (by subscribers) at end-September 2025, compared with 51.4% in Q2 2024 immediately prior to the Airtel acquisition. Mobitel accounted for 24.6% of mobile subscriptions at end-September 2025, while Hutch’s market share stood at 13.4% at end-September 2025.

Sri Lanka’s fixed market is currently served by two main telecom operators: Sri Lanka Telecom PLC (SLT), which began offering services under the unified SLT-Mobitel brand following its integration with Mobitel in 2021 and Dialog Broadband Networks (Pvt) Ltd. (DBN), the fixed-line and broadband division of Dialog. A third operator, the locally owned Lanka Bell (Pvt) Ltd., ceased operations in March 2024 due to sustained financial distress and intensified competitive pressures. Its exit resulted in service discontinuation, with customers advised migrating to SLT where network availability permitted. By late 2025, fixed operators were deploying a mix of xDSL, FTTx, and LTE technologies. DBN accounted for 54.7% of total fixed subscriptions at end-December 2025, while SLT held the remaining 45.3% market share.

Lanka Communications Services (Pvt) Ltd. is also licensed as a data communications operator and is authorized to provide data communications services. The operator is authorized to construct, operate, and maintain a radio transmission system, but is not permitted to establish wireline, cable, or optical fiber

connectivity for subscriber access. Such links must be obtained from licensed operators.³ This means that Lanka Communications Services can only offer FWA-based services, while for other access technologies it is fully dependent on wholesale access products and providers. The company provides data communications services to a limited number of corporate clients only. Internet connectivity services are offered primarily through dedicated wireless solutions including internet leased lines, IP/VPN connectivity, and, rather than mass-market retail broadband.⁴

In 2025, following the grant of the relevant operating license, Starlink Lanka (Private) Limited (Starlink) commenced commercial broadband operations in Sri Lanka, introducing a new competitive constraint. The service, based on low-Earth-orbit (LEO) satellite technology, was launched in July 2025 after TRCSL issued an operating licence in August 2024. Starlink provides nationwide coverage and offers retail packages targeted at households with different usage requirements. Its subscription base stood at XX subscribers at the end of December 2025 and increased further to XX subscribers by the first quarter of 2026.

In addition, it should be noted that in early 2026, one of the licensed cable TV operators (City Cable Links (Pvt) Ltd.) commenced offering fixed broadband services, as permitted under its license conditions. However, cable TV operators do not have the right to establish their own telecommunications links other than those connecting their systems to other licensed data communications networks.⁵ These links must be obtained from licensed operators, limiting the extent to which cable operators can exercise independent infrastructure-based competition.

The overall industry revenue (fixed and mobile) recorded a marginal decline, decreasing from LKR 315.5 billion in 2023 to LKR 302.8 billion in 2024, reflecting a 4% year-on-year decrease. This decline was mainly driven by a reduction in fixed-sector revenues, closely linked to the closure of Lanka Bell. In contrast, the mobile segment demonstrated positive growth, with revenue increasing by 6.6% compared to the previous year, highlighting the continued demand and resilience of mobile services within the sector. In 2025, total industry revenue recovered slightly to LKR 308.4 billion, supported by continued mobile revenue growth to LKR 199.9 billion, although fixed-sector revenue declined further to LKR 108.5 billion. This indicates that overall sector performance is increasingly supported by growth in the mobile segment, while the fixed segment remains on a declining trajectory.

Table 1. Operators Revenue, 2020-2025

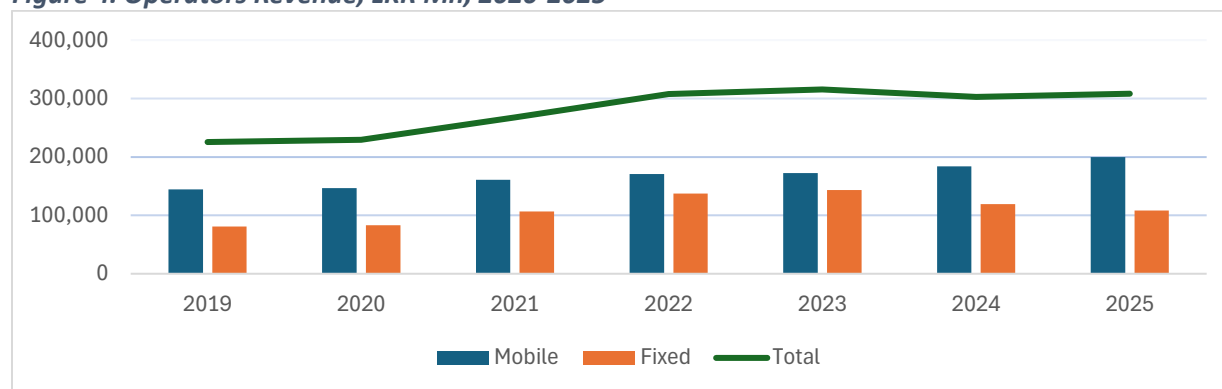
Industry	2020 (Rs. Mn)	2021 (Rs. Mn)	2022 (Rs. Mn)	2023 (Rs. Mn)	2024 (Rs. Mn)	2025 (Rs. Mn)
Mobile	146,512	161,092	170,516	172,368	183,841	199,949
Fixed	83,059	106,508	137,157	143,184	119,000	108,484
Total	229,571	267,600	307,673	315,552	302,841	308,433

³ [LankaCommunicationServicesDataComLicense_20110704.pdf](#)

⁴ [Home - Lankacom Pvt Ltd](#)

⁵ [city_20240920084727.pdf](#)

Figure 4. Operators Revenue, LKR Mn, 2020-2025



Capital investments⁶ by mobile and fixed access operators in Sri Lanka between **2019 and 2024** exhibit a cyclical pattern, influenced by sector-specific developments and the broader macroeconomic downturn in 2022. Total industry investment peaked in 2022 at LKR 155 billion, before declining to LKR 131 billion in 2023 and LKR 126.8 billion in 2024.

The decline after 2022 reflects different trends across the mobile and fixed segments. Mobile investment fell from LKR 90.2 billion in 2022 to LKR 64.0 billion in 2023, following an investment-intensive phase, but recovered strongly to LKR 85.0 billion in 2024. By contrast, fixed-sector investment remained relatively resilient in 2023, increasing slightly to LKR 67.3 billion, but declined significantly in 2024 to LKR 41.9 billion. This suggests that, while overall capital expenditure remained below its 2022 peak, investment momentum in 2024 was increasingly driven by the mobile segment, whereas fixed-network investment weakened considerably.

Table 2. Investments in Telecommunications Industry

Year	2019 (Rs. Mn.)	2020 (Rs. Mn.)	2021 (Rs. Mn.)	2022 (Rs. Mn.)	2023 (Rs. Mn.)	2024 (Rs. Mn.)
Mobile	49,452	39,824	56,984	90,161	63,958	84,964
Fixed	44,426	24,699	53,508	65,229	67,311	41,872
Total	93,878	64,523	110,492	155,390	131,269	126,836

Conclusions: The overall trends in the mobile and fixed telecommunications market in Sri Lanka could be summarized as follows:

- The Sri Lankan mobile market is highly penetrated and structurally saturated, with population penetration stable at around 135.5% as of December 2025.
- The fixed access segment is contracting, with total fixed access subscriptions declining from 3.06 million to 2.63 million over the review period. The decline has been driven mainly by voice-only and bundled voice-and-data fixed subscribers, while data-only fixed connections were more resilient.

⁶ These investments comprise additions to property, plant and equipment, intangible assets, and work-in-progress

- Fixed broadband remains limited in scale compared with mobile broadband, accounting for only around 8% of total broadband subscriptions by the end of 2025, indicating that broadband access in Sri Lanka is mainly mobile-based.
- Market consolidation has resulted in a highly concentrated structure, with three mobile operators and two main fixed operators, and competitive dynamics increasingly centred on pricing, customer retention, and bundled offers.
- Overall, the evidence suggests that mobile services increasingly constrain fixed access, while the fixed segment remains comparatively small.
- The affiliation of DBN with Dialog and SLT with Mobitel indicates that Sri Lanka's broadband market is effectively concentrated at the level of two vertically integrated groups.

IV. Analysis of relevant retail fixed markets

As defined by the Competition Rules, 2024, following the initiation of a market analysis process, through the publication of a notice on its official website and the commencement of data collection, the TRCSL begins the assessment by defining the relevant markets. This involves, first, the identification of the relevant product markets, followed by the determination of their geographic scope. The defined markets are then assessed against the three-criteria test to determine whether they are susceptible to ex ante regulation. Where a market is found to be susceptible to ex ante regulation, the TRCSL proceeds with a market analysis, examining the effectiveness of competition, determining whether any operator holds significant market power (SMP), and identifying potential competition problems arising from such market power. Finally, where SMP is established, the TRCSL proceeds to the selection of appropriate regulatory remedies designed to address the identified competition concerns.

The TRCSL is required to conduct a forward-looking analysis, taking into account current market conditions, reasonably foreseeable developments, and the impact of other forms of regulation over a typical review period of three to five years.

Annex 1 of the Competition Rules sets out a list of pre-defined relevant product and service markets within the Sri Lankan telecommunications sector that are considered susceptible to ex ante regulation. The regulator is required to periodically review these markets. Where the TRCSL determines that an operator holds SMP in any of the identified markets, it may impose appropriate regulatory obligations on that operator in order to address identified or potential market failures.

For the purposes of this report, the relevant markets under consideration are:

M3 –Retail fixed wired and wireless broadband market; and

M4 – Retail fixed wired and wireless voice market.

V. Market definition of the retail fixed wired and wireless voice market

The initial stage of the market analysis consists of identifying the focal product, defined as the product most widely used within the relevant group of services.⁷ This focal product serves as the reference point

⁷ Competition rules, 2024, para 7.5

for assessing competitive constraints. Once the focal product has been identified, the TRCSL examines the availability of close substitutes, namely products to which consumers can readily switch and which therefore exert immediate competitive pressure on the supplier of the focal product. Both the focal product and its close substitutes are included within the relevant product market, as they are considered to belong to the same market.

A relevant product market comprises all products and/or services that are regarded as interchangeable or substitutable by consumers, by reason of their characteristics, prices, and intended use.

5.1. Product market definition – fixed voice (M4)

Fixed network operators (DBN and SLT) in Sri Lanka currently provide a range of retail services. Historically, end-users accessed fixed networks primarily to make and receive voice calls. With the introduction and expansion of fixed broadband services, users have increasingly accessed fixed networks for internet connectivity and data-based applications, and the role of standalone fixed voice has correspondingly diminished. Retail offers in the fixed market may broadly be categorized as follows:

- Voice only services;
- Data-only services
- Bundles of voice and data; and
- Triple-play bundles combining voice, broadband, and IPTV or other content services.⁸

Subscription data for the period December 2022 to December 2025 illustrates a clear and sustained structural shift across all three service categories (**Figure 2**). Voice-only fixed access subscriptions have declined consistently — from approximately 890,000 in December 2022 to around 701,000 in December 2025, representing a reduction of approximately 21.2% over the three-year period. Voice and data bundle subscriptions have similarly contracted, falling from approximately 1.1 million in December 2022 to around 840,000 in December 2025, a reduction of around 25%.

By contrast, data-only subscriptions have demonstrated relative resilience, remaining broadly stable across the same period. By December 2025, data-only subscriptions constituted the largest category among the three service types, overtaking both voice-only and bundled offerings. These trends reflect a broader transition in end-user preferences away from traditional fixed voice access and toward data-based connectivity.

In the Sri Lankan retail fixed voice market, tariff plans are generally structured around a monthly line rental charge, with call charges applied on a metered basis according to call duration, time of day, and destination. Unlimited plans, offering unlimited voice calls to any network or within a network, are also available. One-off connection fees are applicable upon service activation. A degree of tariff differentiation is observed within SLT's fixed voice offerings, reflecting variations in the underlying access technology (such as copper-based DSL, fibre, LTE), the end-user segment served (residential or business), and the ownership of the customer premises equipment — distinguishing between operator-provided and user-owned terminal devices.⁹ DBN's fixed voice offers are more positioned as part of bundled service packages,

⁸ Television services are licences and regulated separately and it outside the scope of this market assessment.

⁹ [SLTMobitel](#)

rather than as standalone fixed voice services. This suggests that, while fixed voice remains available as a retail service, its commercial relevance is diminishing and increasingly linked to broader fixed broadband or bundled connectivity offers.

For data segment, many tariff plans are capacity based, structured around monthly data allowances and speed tiers, and a range of add-on offers are exclusively linked to specific Over-the-top (OTT) applications or categories of applications, defining the particular social media, messaging, or other applications for which the included data allowance may be used. Add-on options are available where customers require additional data allowances or access to further OTT applications.

The bundling of fixed voice and broadband services is facilitated by the technical capability of fixed networks — including copper-based xDSL, fibre (FTTx), and fixed wireless (LTE) infrastructure — to carry multiple types of traffic over the same physical connection or access point. From the supply side, bundling reduces production, distribution, and transaction costs for operators. From the demand side, while bundled subscriptions historically represented the largest service category in the Sri Lankan fixed market, the sustained decline in bundled subscriptions and the corresponding stability of data-only connections suggest an ongoing shift in consumer preferences away from joint consumption of fixed voice and broadband, driven in part by substitution of fixed voice services by OTT voice applications delivered over fixed or mobile broadband connections.

With regard to customer segmentation, individual users and corporate clients in the Sri Lankan fixed market typically purchase broadly similar core services — namely fixed broadband internet access and, where required, fixed voice — but the degree of service differentiation between these segments is more pronounced than in the mobile market. Retail fixed broadband packages offered by SLT and DBN to residential subscribers are standardised in terms of technology, speed tiers, data allowances, and pricing, and are generally available on published tariffs. The prices and services therefore have the characteristics of mass-market services. Lanka Communications Services operates specifically within the corporate segment. However, services of this nature cannot be characterised as mass-market services and are analytically distinct from standardised retail fixed access offerings for the purposes of market definition.

With regard to billing arrangements, fixed voice services are provided exclusively on a post-paid basis to both individual and corporate subscribers by both operators. SLT's subscriber base is almost entirely post-paid. DBN's subscriber base was split between post-paid and pre-paid customers, with post-paid subscribers accounting for approximately 44% and pre-paid subscribers for 56%.

Table 3. Breakdown of fixed subscribers by category

	2024 (end of year)		2025 (end December)	
Individual subscribers (Active within last three month)	2,207,678	82.3% of total fixed subscribers	2,139,258	81.4% of total fixed subscribers
<i>Pre-paid</i>	655,121	29.7% of individual fixed subscribers	664,925	31 % of individual fixed subscribers

<i>Post-paid</i>	1,552,557	70.3% of individual fixed subscribers	1,474,333	69% of individual fixed subscribers
Corporate subscribers (Active within last three month)	473,822	17.7% of total fixed subscribers	487,739	18.6% of total fixed subscribers
<i>Pre-paid</i>	1,374	0.3% of all corporate subscribers	1,599	0.3% of all corporate subscribers
<i>Post-paid</i>	472,448	99.7% of all corporate subscribers	486,140	99.7% of all corporate subscribers

Individual subscribers accounted for approximately 81% of total fixed subscriptions (end-December 2025), while corporate subscribers represented around 19% of total fixed subscriptions. The absolute number of corporate subscribers increased over the review period (approximately by 24%) suggesting that while the overall fixed market is contracting, corporate demand for fixed connectivity has remained resilient and is growing in relative terms. The near-universal post-paid profile (99.7%) among corporate customers reflects the contractual nature of business connectivity arrangements.

In line with established regulatory practice, the TRCSL identifies the following focal product:

Retail fixed voice services, which comprise the provision to end-users of publicly available, two-way, real-time voice communication services over public fixed telecommunications networks, using national or international numbering resources.

Retail fixed voice services include voice services supplied on both a pre-paid and post-paid basis, irrespective of the underlying network technology, and regardless of whether they are offered on a standalone basis or as part of bundled retail fixed offerings.

The relevant product market for retail fixed voice services is therefore defined as comprising the provision to end-users of the following services:

- *Making outgoing voice calls to geographic and non-geographic numbers of all service providers within Sri Lanka;*
- *Making outgoing voice calls to emergency and special service numbers;*
- *Making outgoing international voice calls;*
- *Receiving incoming voice calls from any domestic or international origin.*

5.2. Demand-side substitutability

Demand-side substitutability assesses the extent to which customers are willing to replace the defined product/service with another. In this section, the boundaries of the fixed voice services retail market will be defined by determining all substitute services that form part of the market. Key potential substitutes:

➤ **Mobile voice services**

For the purposes of defining the relevant market, it is necessary to evaluate whether mobile voice services exert a sufficient competitive constraint on retail fixed voice services from a demand-side substitutability perspective. The question for demand-side substitutability purposes is therefore whether a sufficient proportion of end-users would switch from retail fixed voice to mobile voice services in response to a SSNIP applied to retail fixed voice, to an extent that would render such a price increase unprofitable.

From a functional perspective, mobile voice and fixed voice services share certain core characteristics. Both enable real-time voice communications, including national and international calling, access to emergency services, and the use of national numbering resources. Increasing mobile penetration, declining fixed voice subscriptions, extensive mobile network coverage and the availability of competitively priced mobile voice offers indicate that mobile voice services exert a significant competitive constraint on fixed voice services in Sri Lanka.

However, the existence of such a competitive constraint does not necessarily mean that fixed voice and mobile voice services belong to the same relevant product market. Fixed voice services in Sri Lanka, provided mainly over copper, fibre and fixed wireless access (FWA) technologies, continue to differ from mobile voice services in terms of mobility, usage patterns, customer premises configuration and, in some cases, integration with household or business communication systems.

Mobility: Fixed voice services have no inherent mobility, as they are tied to a specific physical location and accessed through terminals installed at a defined premises, irrespective of whether the underlying technology is copper, fibre, or FWA. Use of the service is therefore limited to that location. Although, FWA may offer limited nomadic use, in that the service can be relocated between premises; however, they do not support seamless or personal mobility. By contrast, mobile voice services are specifically designed to enable full personal mobility, allowing users to make and receive calls anytime and anywhere within network coverage, with continuity of service supported through seamless handover between network cells. In addition, mobile voice services support international roaming, enabling users to retain their national number and access voice and messaging services while travelling abroad, which is an integral feature for personal and business users.

Usage patterns: Fixed voice services are predominantly used in location-bound contexts and are increasingly associated with specific customer segments—most notably households, business users, and public institutions—as a permanent or official contact point for inbound and outbound communications, including customer-facing, administrative, and/or emergency-related use. In contrast, mobile voice services are predominantly used for personal, ad hoc communications, supporting anytime and anywhere connectivity. Additionally, as noted by the market players, many consumers still prefer the experience of fixed broadband for activities including gaming, video conferencing, and working from home, where a stable and high-speed connection is crucial. This preference may limit the extent to which mobile services can replace fixed-line options.

Service characteristics: Fixed and mobile voice services also differ across several service characteristics relevant for demand-side substitutability. Mobile voice services are inherently bundled with messaging functionality (SMS), which plays a central role in personal communications, digital services, and transactional use cases, including authentication and verification. Fixed voice services, by contrast,

generally do not support SMS or offer it only to a negligible extent and have limited relevance for digital platform/ service integration. Mobile voice and SMS services are therefore strongly user-centric and closely linked to personal identity, whereas fixed voice services function primarily as premises-based and often shared communication endpoints. These differences further reinforce that fixed and mobile voice services fulfil distinct functional roles. Fixed broadband services are often characterized as more reliable and more stable than mobile connections. Mobile data plans often come with data caps and may experience throttling after a certain usage threshold. This can deter users from relying solely on mobile internet for their primary internet access, especially for heavy data users.

Available market evidence in Sri Lanka supports this assessment. Statistical data indicate fixed voice access has not been displaced by mobile, despite mobile penetration reaching 135.5% (**Figure 5**). Over the review period, fixed access telephone density has remained within its recent historical range, standing at 12.1 per 100 inhabitants in December 2025, of which 7.1 relates to voice-only connections. Fixed voice-only subscribers account for approximately 11.6% of all voice-only subscriptions, corresponding to around 2.2% of total (fixed and mobile) subscriptions, while fixed bundled subscriptions (voice and data) represent about 3.6% of bundled subscriptions, or roughly 2.6% of total subscriptions (**Figure 6**). This persistence of fixed voice subscriptions alongside near-universal mobile adoption indicates that fixed and mobile voice services continue to meet distinct user needs (although at very marginal scale). The very high level of mobile penetration indicates that mobile services are widely available and that many fixed voice users are likely to have access to at least one mobile connection. In such cases, fixed and mobile voice services are used as complementary services, at least by some users, rather than as alternatives. Market participants have similarly expressed the view that the future landscape will likely be shaped by a combination of both technologies, with each serving different consumer needs and preferences.

Figure 5. Mobile and fixed penetration, 2021-2025

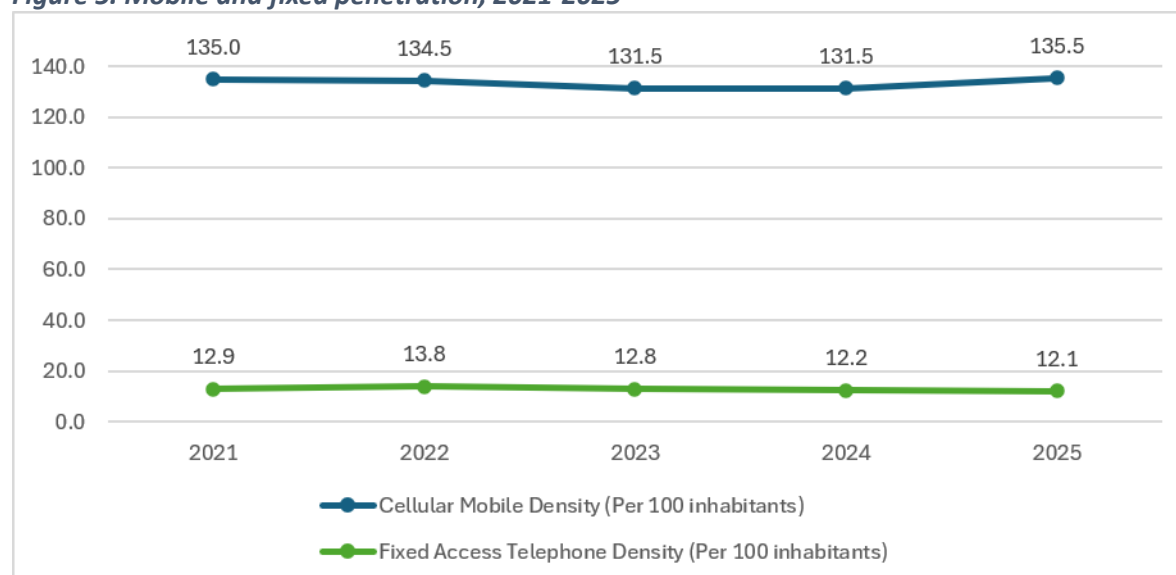
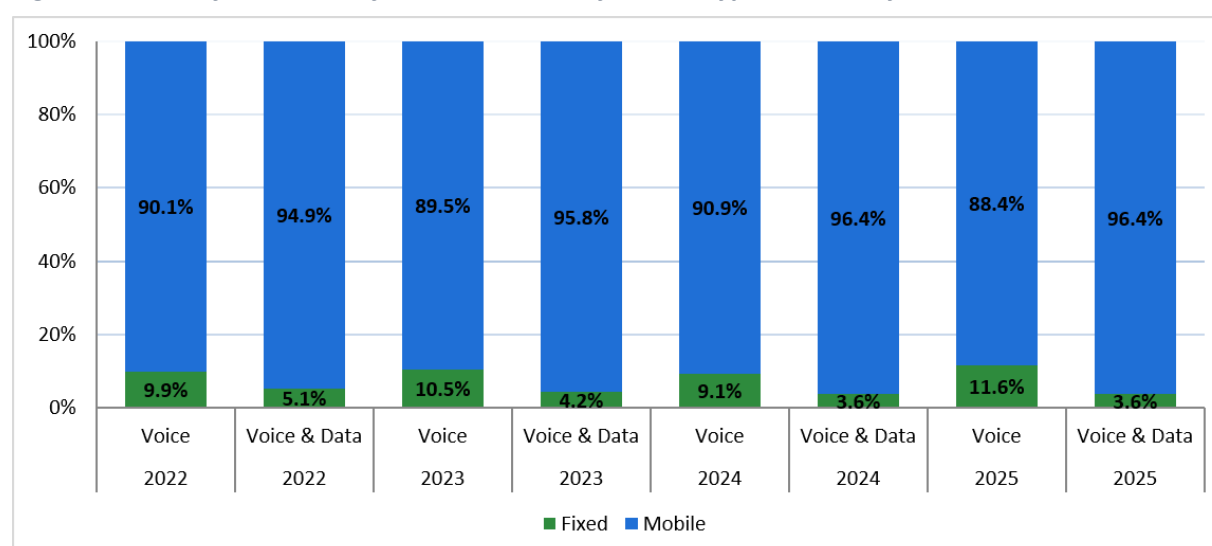


Figure 6. Share of mobile and fixed subscribers by service type: voice-only and bundled services



From a demand-side substitutability perspective, fixed voice and mobile voice services do not appear to constitute effective substitutes. They should therefore be considered as falling outside the same relevant product market.

➤ **Over-the-top (OTT) voice services and broadband/data services**

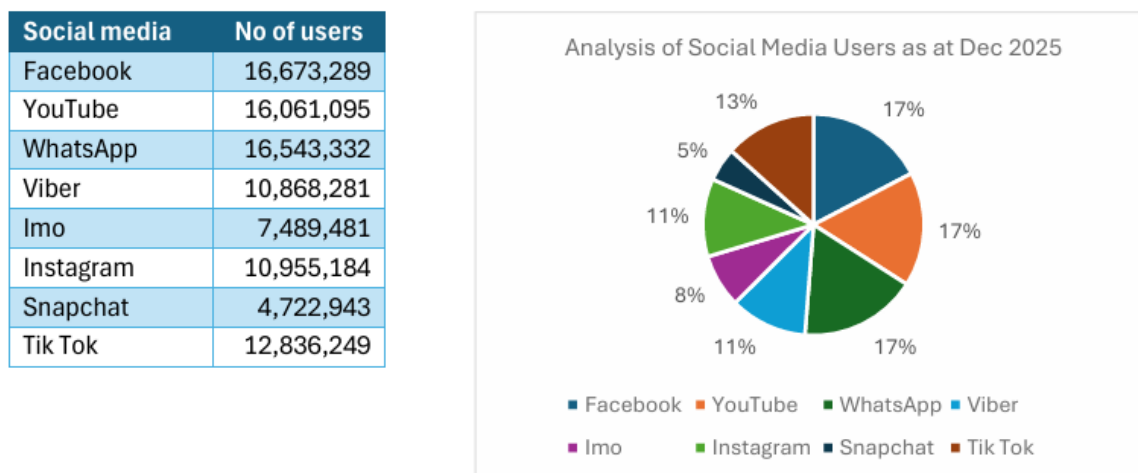
OTT voice services — such as WhatsApp, Viber, Facebook Messenger, and similar application-based voice communication tools — deliver real-time voice communication functionality over internet protocol (IP) networks, including both fixed broadband and mobile data connections. From a functional perspective, OTT voice services replicate the core use case of traditional fixed voice telephony and are available to end-users at zero or near-zero marginal cost once an underlying data connection is in place. The question for demand-side substitutability purposes is therefore whether a sufficient proportion of end-users would switch to OTT voice in response to a small but significant and non-transitory increase in the price of retail fixed voice services.

Several factors support a finding of partial demand-side substitutability between OTT voice and retail fixed voice services in the Sri Lankan context. The sustained and accelerating decline in fixed voice-only subscriptions — from approximately 890,000 in December 2022 to 701,00 by December 2025, representing a reduction of 21.2% over three years — is consistent with ongoing substitution of traditional fixed voice by OTT alternatives, driven by the widespread availability of affordable fixed and mobile broadband connectivity. Furthermore, the high penetration of mobile broadband (approximately 92% of

total broadband subscriptions as of end-2025¹⁰) means that many Sri Lankan end-users already possess a connection through which OTT voice services are readily accessible, lowering the barrier to substitution¹¹.

In Sri Lanka, the number of OTT users continues to grow. **Figure 7** presents the number of users of selected social media and OTT platforms as of end-December 2025. It should be noted that these figures are not cumulative, as a single user is likely to use multiple OTT applications concurrently. WhatsApp is the most widely used messaging and voice-enabled OTT platform in Sri Lanka, with user reach estimated at 16.5 million users, according to TRCSL data.

Figure 7. OTT Services users as of 31st December 2025



However, several countervailing considerations limit the extent to which OTT voice services can be considered full substitutes for retail fixed voice at the current time:

- First, OTT voice services in their standard app-to-app form do not provide the same functionality as number-based retail voice services. They do not natively interconnect with the PSTN numbering plan and, in their standard configuration, cannot be used to call geographic or non-geographic numbers, emergency services, or international PSTN destinations. This functional asymmetry constitutes a significant constraint on substitutability for users who require access to the full range of publicly available numbering resources.

Some OTT providers offer hybrid PSTN-interconnected services, such as Viber Out. However, these services do not materially alter the assessment. They are typically priced on a per-minute basis, unlike standard app-to-app OTT calls, which carry no marginal charge beyond the user's existing data connection. They also remain dependent on an underlying mobile or fixed broadband connection for access. As such, they are better characterised as complementary services, or as partial substitutes for specific call types, rather than as full substitutes for retail voice services. Additionally, it should be

¹⁰ Given the prevalence of multi-SIM usage and the continued significant presence of basic phones, actual individual mobile broadband penetration is likely to be significantly lower than the subscription-based penetration rate suggests.

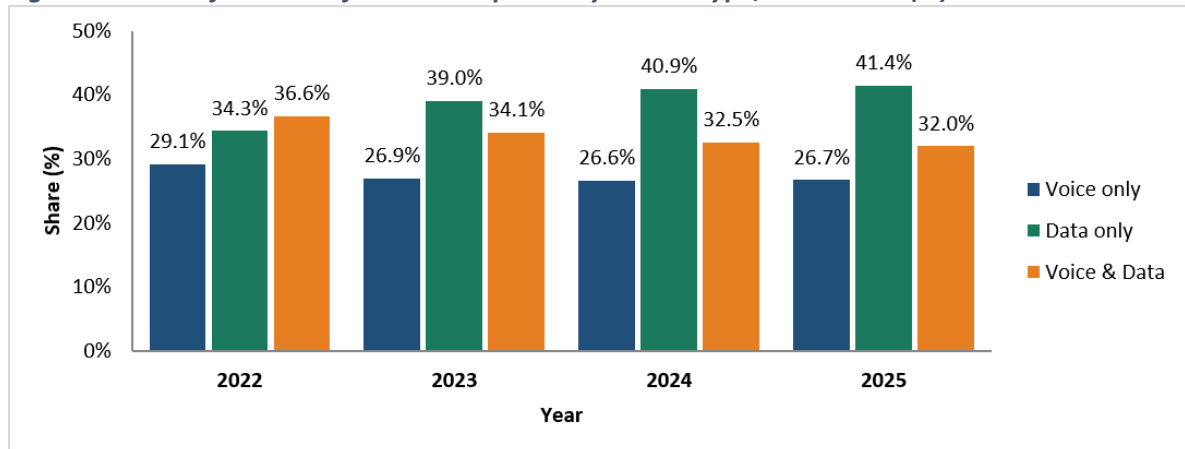
¹¹ This, however, does not reflect the actual use of broadband services.

noted that these services are not currently offered in Sri Lanka and therefore do not constitute a substitute.

Second, OTT voice quality and reliability remain dependent on the availability and performance of the underlying data connection, introducing a degree of service uncertainty that is absent from circuit-switched fixed voice. Broadband (fixed or mobile) constitutes an enabling input for OTT services, but it is not itself the same product as retail voice services.

- Third, certain user segments may face practical constraints in relying on OTT voice services as a substitute for retail voice services. OTT voice depends on a stable and adequate data connection and may therefore be less reliable for users in areas with limited broadband coverage or poor data quality, including some rural and peri-urban areas. Device capability and digital literacy may also limit effective OTT use among some users. The fixed subscribers distribution data reinforces this conclusion. The share of voice-only subscriptions in total fixed subscriptions remained broadly stable during the review period, at around 27 per cent between 2022 and 2025, notwithstanding the significant contraction of the fixed market as a whole. This stability suggests that voice-only subscribers are not simply a transitional group migrating progressively to OTT alternatives or bundled broadband services. Instead, they appear to constitute a residual but distinct customer segment, likely characterised by specific usage needs, lower demand for broadband bundles, or limited ability or willingness to substitute away from traditional fixed voice services.

Figure 8. Share of Sri Lanka fixed subscriptions by service type, 2022–2025 (%)



- Public institutions, emergency services, businesses, and call centres continue to rely predominantly on traditional telephony services, which provide assured reach, interoperability, and regulatory safeguards that OTT services do not replicate. These functional differences further constrain demand-side substitutability and reinforce the conclusion that OTT voice services cannot be considered a full substitute for traditional voice services.
- The retail pricing structures of both active fixed operators — SLT and DBN — further support the finding that fixed voice and fixed broadband are generally consumed as complementary services rather than substitutes, and that fixed voice continues to provide distinct commercial and functional value that is not fully replicated by OTT voice services. Both operators continue to make fixed voice services commercially available, although voice-only plans do not appear to be heavily promoted.

SLT's retail offers incentivise bundled consumption of fixed voice, broadband and other services¹², while DBN offers fixed voice as an add-on to its Home Broadband service¹³. Although the two operators use different commercial models, their pricing structures point in the same direction: fixed voice is increasingly bundled with, or attached to, fixed broadband. At the same time, the continued commercial availability of fixed voice, including through unlimited calling options and access to number-based PSTN reachability, indicates that it continues to provide functionality valued by some end-users. (Tariff comparison in Annex 2).

Considering the above, while OTT voice services exert a growing competitive constraint on retail fixed voice services, they are not considered to constitute a sufficiently close substitute to warrant inclusion within the same relevant product market at this time.

➤ **Access to fixed voice services via different technologies**

In Sri Lanka, fixed voice services are delivered to end-users over different access technologies, including copper-based, fibre, and fixed wireless access. From a demand-side perspective, the core service received by the end-user is functionally equivalent regardless of the underlying access technology. Each platform provides a geographically assigned fixed telephone number, interconnection with the PSTN numbering plan, and access to the same range of calling destinations, including geographic and non-geographic numbers, emergency services and international PSTN destinations. End-users therefore do not experience a material difference in core calling functionality depending on whether the fixed voice service is delivered over copper, fibre or fixed wireless infrastructure.

Retail pricing evidence supports this assessment. SLT offers its unlimited calling plan at the same monthly rental across all three access platforms, while per-minute call charges are aligned across technologies within equivalent bundle tiers. This indicates that access technologies are treated commercially as different delivery platforms for the same fixed voice service, rather than as distinct retail voice products. End-user choice between platforms is therefore more likely to be driven by geographic availability, broadband speed requirements, service bundling and network migration, rather than by differences in the voice service itself.

This supports the conclusion that fixed voice services delivered over copper, fibre and fixed wireless access fall within the same relevant product market for demand-side substitutability purposes.

From the demand-side perspective, retail fixed voice delivered over different fixed network technologies are substitutable and form part of the same retail fixed voice market.

➤ **Publicly available satellite services**

Satellite-based voice services represent a technically feasible means of providing voice communication to end-users, including in remote or underserved areas.

¹² [SLTMobitel](#)

¹³ [Home Broadband Voice Packages | Unlimited Calls | Dialog Axiata PLC](#)

In Sri Lanka, Dialog is authorized to provide Thuraya satellite services and these services were available during the market review period.¹⁴ However, based on information available to TRCSL, usage of these services is extremely limited, with the cumulative number of subscribers remaining below 100 as of September 2025. While satellite-based networks can technically provide voice and data connectivity, particularly in remote or underserved areas, their use is constrained by high end-user equipment costs (e.g. satellite handsets or terminals), significantly higher service prices, and more complex installation and operational requirements. Additionally, dedicated satellite voice services do not assign subscribers a domestic geographic number under Sri Lanka's national numbering plan, and therefore do not replicate the full functionality of a retail fixed voice service. As a result, satellite services are typically used in niche use cases (e.g. maritime, disaster recovery, or extreme rural coverage) rather than as a mass-market alternative to fixed voice services.

In July 2025, following the grant of the relevant operating license, Starlink commenced commercial broadband operations in Sri Lanka, based on low-Earth-orbit (LEO) satellite technology. While Starlink can technically support voice communications via internet-based applications (VoIP/OTT), this functionality is indirect and lacks equivalence to traditional fixed voice services. In particular, Starlink does not currently appear to offer a geographically assigned fixed number, PSTN interconnection, universal reachability, reliable access to national emergency numbers, or regulated voice quality of service. Additionally, Starlink is licensed to provide only broadband services in Sri Lanka.

Consequently, even a small but significant non-transitory increase in the price of fixed voice services would be unlikely to induce consumers to switch to satellite-based solutions. Starlink may therefore be more relevant to the assessment of fixed broadband access, but should not be considered part of the retail fixed voice market.

Publicly available satellite services are not considered as demand-side substitutes for retail fixed voice services and do not form part of the same relevant market.

Conclusion on demand-side substitutability. Retail mobile voice services, OTT voice services, data services, satellite services do not constitute sufficiently close demand-side substitutes for retail fixed voice services for the purposes of relevant market definition. Their substitutability is constrained by differences in functionality, dependence on suitable devices and connectivity, coverage and quality limitations, and distinct usage patterns. Fixed voice services delivered over different network technologies (copper, fiber, FWA) are fully substitutable and form a single, technology-neutral market. Accordingly, retail fixed voice services constitute a distinct relevant product market for the purposes of competition and market-definition analysis.

This, however, does not mean that mobile and OTT services exert no competitive constraint on fixed voice. Although they fall outside the relevant product market, they may still impose a material and increasing out-of-market constraint by reducing demand for fixed voice, limiting usage, accelerating customer migration and weakening the ability of a fixed voice provider to sustain prices above competitive levels.

¹⁴ - [Thuraya Mobile Satellite Communications Company](#)

The significance of these external constraints is therefore considered further in the assessment of competitive conditions and Criterion 2.

5.3. Supply-side substitutability

Supply-side substitutability assesses whether providers not currently offering retail fixed voice services could begin supplying such services quickly and at low cost, without incurring significant additional investments or facing material regulatory or contractual constraints. In other words, it considers whether alternative suppliers could quickly and at low cost enter the retail fixed voice market in response to a price increase by existing providers.

From this perspective, supply-side substitution for retail fixed voice services is limited. The provision of retail number-based fixed voice requires access to fixed or fixed wireless access infrastructure, numbering resources, PSTN interconnection arrangements, and compliance with applicable regulatory and quality requirements. Where fixed wireless access (FWA) is used, access to appropriate spectrum is also required. These requirements create barriers to entry and cannot be met rapidly or at low cost by providers that do not already operate fixed access networks or have access to the necessary wholesale inputs. Key potential substitutes:

- **Mobile network operators or MVNOs (Mobile Virtual Network Operator).** Mobile network operators and MVNOs¹⁵ could potentially seek to provide fixed voice services, but would face material regulatory, financial, and operational barriers to entry that preclude rapid supply-side substitution. To provide fixed voice services, mobile network operators and MVNOs would be required to obtain the appropriate licence under the Sri Lanka Telecommunications Act. Where an operator seeks to provide services through its own telecommunications system infrastructure, a system operator licence under Section 17 applies, with a licence fee of LKR 960 million (excluding taxes) for wireline, and a licence fee of LKR 480 million for wireless, for a ten-year period. Where FWA is used as the access technology, access to appropriate spectrum would also be required, involving a separate regulatory authorisation process and additional costs. Provision of services using third-party infrastructure requires a service licence under Section 17B(1)b of the Sri Lanka Telecommunications Act, with a licence fee of LKR 1 million (excluding taxes) for a five-year period.¹⁶ Additionally, an entrant seeking to provide fixed voice services without deploying its own access network would need to lease the local loop or equivalent access product from SLT — the only operator with a national

¹⁵ At present, no MVNOs are active in Sri Lanka.

¹⁶ However, at present, Section 17B Service Licence would generally not be sufficient for conventional fixed voice service provision because: i) Section 17B (under Gazette No. 2395/34) is intended for Telecommunication Services, Infrastructure Services, and Cable Landing Station services, ii) A Section 17B Service Licensee does not operate a full public switched telecommunication system in the same manner as a Section 17 Licensee, iii) Fixed voice service requiring independent network operation, numbering allocation, and interconnection with national networks falls within the scope of Section 17 licensing.

copper access, extensive fibre access¹⁷ and the sole national fibre backbone provider¹⁸. Without regulated wholesale access to SLT's local loop infrastructure, supply-side entry is contingent on self-build, which is neither rapid nor costless. In all cases, licensing obligations are accompanied by tariff filing and approval requirements as well as ongoing regulatory compliance obligations, creating additional operational costs and administrative burdens beyond the licence fee itself.

In the absence of necessary wholesale inputs (such as unbundled local loops, bitstream access or equivalent access products), entry into number-based fixed voice provision would require substantial fixed-network investment, including access network deployment, PSTN interconnection arrangements, and geographic number assignments under the national numbering plan. These requirements cannot be fulfilled rapidly or without significant sunk costs, thereby limiting the scope for timely and effective supply-side substitution.

Currently, both active fixed voice providers in Sri Lanka — SLT and DBN — are part of corporate groups that also include mobile operators, while remaining legally and operationally separate entities. This reflects the regulatory and operational requirements that necessitate distinct business units for the provision of fixed and mobile services. This structural separation demonstrates that fixed voice provision is not a rapid or costless extension of mobile operations.

MVNOs would face even greater constraints. As they do not operate their own access networks and depend on host mobile network operators, entry into fixed voice provision would require a fundamental change in business model, including new authorisations, access arrangements, numbering resources and interconnection capabilities. This cannot be done quickly and at low cost. Accordingly, neither mobile network operators nor MVNOs constitute a source of timely and effective supply-side substitution capable of constraining the retail fixed voice market.

- **ISPs and satellite service providers:** Internet service providers not currently offering fixed voice services could in principle supply voice over broadband — either as a standalone VoIP service or as part of a bundled broadband and voice package — using existing broadband infrastructure. From a technical standpoint, the incremental capability required to add VoIP functionality to an existing broadband platform may not require large-scale network investment.

However, providing a retail number-based fixed voice service — as distinct from an unmanaged VoIP application — requires PSTN interconnection, geographic number assignment under Sri Lanka's national numbering plan, emergency calling capability and regulatory authorisation. These requirements represent a material financial and administrative barrier to entry that could not be overcome rapidly in response to a price change in the fixed voice market.

Similar considerations apply to satellite service providers. Transitioning from broadband connectivity or satellite voice provision to a domestic, PSTN-interconnected fixed voice service would require a

¹⁷ SLT is deploying a FTTH network with a capacity of 1.2million fibre ports at the end of 2022 (1.3 million fibre ports at the end of 2025, according to TRCSL data). SLT operates the only fixed copper access network (>360towns/cities in all 25districts) based on which it provides DSL services. [Sri Lanka Telecom PLC Divestiture Teaser](#). DBN's fibre footprint is significantly more limited.

¹⁸ SLT operates the only nationwide National Backbone Network in Sri Lanka with a total fibre cable distance of nearly 65,000km across the country. [Sri Lanka Telecom PLC Divestiture Teaser](#)

different regulatory and operational model, including access to geographic numbering resources, interconnection arrangements and compliance with fixed voice regulatory obligations. Thuraya, available in Sri Lanka through Dialog's distribution arrangement, supports satellite voice communications, including outbound calls to PSTN numbers. However, it does not provide subscribers with domestic geographic fixed numbers under Sri Lanka's national numbering plan and is not structured as a domestic fixed voice service. Its operational model is therefore materially different from the number-based, PSTN-interconnected fixed voice service that forms the subject of this market definition.

Consequently, neither broadband-only ISPs nor satellite service providers constitute a source of rapid and effective supply-side substitution into the retail fixed voice market. Their potential entry would require significant regulatory, technical and commercial changes and would not be sufficiently timely or costless to constrain existing retail fixed voice providers within the timeframe relevant to this assessment.

- **OTT providers:** OTT service providers — including the operators of WhatsApp, Viber, and similar platforms — are not considered a source of supply-side substitution.

OTT services operate over the public internet and rely on an underlying fixed or mobile broadband connection as an input. Their services are application-based, typically operate within proprietary ecosystems, and do not provide the same universal reachability, regulated emergency access, geographic numbering or quality-of-service characteristics as retail fixed voice services. OTT providers do not require licences, national numbering resources, or regulated interconnection, nor are they subject to the same telecommunications-specific obligations that apply to fixed voice providers. As a result, the technical architecture, regulatory status, and cost structure of OTT services differ fundamentally from those of fixed voice services. In Sri Lanka, as in many other jurisdictions, OTT providers do not fall within the scope of traditional telecommunications sector regulation.

TRCSL acknowledges the growing role of OTT traffic across telecommunications networks, for both voice and data, and the increasing importance of OTT platforms within the broader internet value chain. However, the existing legal framework, as well as prevailing international regulatory practice, indicates that any policy response to OTT services is more appropriately addressed through horizontal (cross-sector) regulatory frameworks, rather than through telecommunications-specific regulation. In this context, OTT services do not constitute a source of supply-side substitutability for retail fixed voice services.

While OTT providers could in principle seek PSTN interconnection and number assignments to offer number-based voice services, doing so would require regulatory authorisation, numbering plan access, and interconnection and emergency calling agreements that are subject to significant regulatory and commercial barriers. No OTT provider has sought or obtained such authorisation in Sri Lanka, and there is no evidence that entry of this nature is imminent. OTT providers operate at a different level of the value chain: they generate demand for broadband connectivity, while fixed and mobile network operators provide the underlying access services that enable OTT use. This relationship is better characterised as complementary than substitutive from a supply-side perspective.

These differences imply that providers cannot readily switch between supplying OTT services and retail fixed voice services in response to market conditions. On this basis, OTT voice services do not exert a supply-side competitive constraint on retail fixed voice services and do not justify widening the relevant product market.

Box 1. International practice on the evolving regulatory treatment of OTT services

In response to structural changes in communications markets driven by digital platforms, competition and regulatory authorities worldwide have begun to adapt traditional competition assessment frameworks. Rather than relying exclusively on sector-specific obligations imposed on telecommunications operators, regulators are increasingly extending ex-ante regulatory tools to large over-the-top (OTT) platform providers, while at the same time **relaxing retail-level obligations on traditional telecom** operators where competition is deemed effective.

A clear example of this shift is the EU Digital Markets Act (DMA), which imposes ex-ante obligations on designated “gatekeeper” platforms such as Meta, Apple, Google, and Microsoft. These obligations include requirements to ensure data portability, interoperability of messaging services, and restrictions on self-preferencing. For instance, Meta has been required to enable interoperability between WhatsApp and other messaging services, addressing network effects that previously reinforced market power in OTT communications—an area that historically fell outside telecom regulation.

Similarly, competition authorities have increasingly focused on horizontal, symmetry-based remedies that apply across sectors, rather than asymmetric obligations targeted solely at telecom operators. Data portability rights under the General Data Protection Regulation (GDPR) allow users to switch platforms more easily, reducing lock-in effects created by large digital ecosystems. Interoperability obligations, such as those now applied to core platform services under the DMA, are designed to replicate, in the digital platform context, the pro-competitive effects that interconnection and number portability once delivered in traditional telecom markets.

At the same time, regulators have progressively withdrawn or relaxed retail-level regulation of traditional telecommunications services where competitive pressure has increased (some years ago). In the EU, national regulatory authorities have largely removed retail price controls for mobile and fixed services, reflecting effective competition and the constraining effect of alternative communication channels, including OTT services. Retail markets are now rarely subject to ex-ante regulation, with regulatory focus shifting instead to wholesale access and infrastructure bottlenecks. Similar trends can be observed in markets such as the United Kingdom and Australia, where retail telecom regulation has been scaled back while competition law and general consumer protection rules play a greater role.

These developments illustrate a broader regulatory rebalancing: ex-ante intervention is increasingly applied where market power has shifted—to large digital platforms—while legacy telecom obligations are reduced where competition has intensified. The overall objective is to preserve effective competition and consumer choice across converging communications markets by applying proportionate and technologically neutral regulatory tools aligned with evolving market realities.

Conclusion on supply-side substitutability. Retail fixed voice services constitute a distinct relevant product market. Mobile network operators, internet service providers, satellite service providers and OTT providers cannot readily switch to supplying number-based retail fixed voice services without incurring material additional costs and meeting significant regulatory, technical and operational requirements. Entry by such providers would therefore not be sufficiently timely, likely or cost-effective in response to a small but significant non-transitory increase in the price of retail fixed voice services.

5.4. Geographical scope of the market

Once the relevant product market has been defined, the Commission proceeds to determine the geographic scope of the market. In line with Competition Rules, paragraph 7.6.6.1, the geographic scope of a relevant market is generally presumed to be national, unless a specific assessment demonstrates materially distinct competitive conditions at local or regional level. No such conditions are present in the retail fixed voice market in Sri Lanka.

The legal and regulatory framework applicable to retail fixed voice services is uniform across the entire territory of Sri Lanka. Licensing conditions, regulatory obligations, consumer protection rules, and tariff oversight apply on a nationwide basis and do not vary by region.

Retail tariffs and commercial terms are offered on a nationally uniform basis by both active fixed voice operators — SLT and DBN — subject to network coverage availability. Neither operator applies geographically differentiated pricing or materially different commercial terms across its service area.

Fixed voice services in Sri Lanka are delivered over three access technologies — copper, fibre (FTTx), and fixed wireless access (FWA/LTE). These technologies have distinct but partly overlapping geographic footprints. SLT operates the only fixed copper access network in Sri Lanka, covering more than 360 towns and cities across all 25 districts and also operates national FWA and extensive fibre networks¹⁹. As of May 2025, SLT's FWA network passed approximately 60% of Sri Lankan households, while its fibre and copper networks passed approximately 20.68% and 25% of households, respectively.

DBN provides fixed services over FTTx and LTE FWA networks. As of May 2025, DBN's FWA network covered around 72% of the population. DBN also offers fiber access, while its TD-LTE FWA network remains the main basis for its fixed service coverage.

Spectrum licences for FWA services are assigned on a national basis.

Although network coverage varies between urban and rural areas — with fibre and copper mainly serving urban and suburban locations, and FWA extending coverage to rural and peri-urban areas — this variation in access technology does not give rise to materially distinct competitive conditions at the retail level. Both operators compete on a national basis, tariff structures are nationally uniform, and the regulatory framework does not distinguish between geographic sub-markets during the review period.

On this basis, and consistent with the Competition Rules, 2024 the **relevant geographic market for retail fixed voice services is national in scope, covering the entire territory of Sri Lanka.**

¹⁹ [Sri Lanka Telecom PLC Divestiture Teaser](#)

VI. Fixed voice market dynamics in Sri Lanka

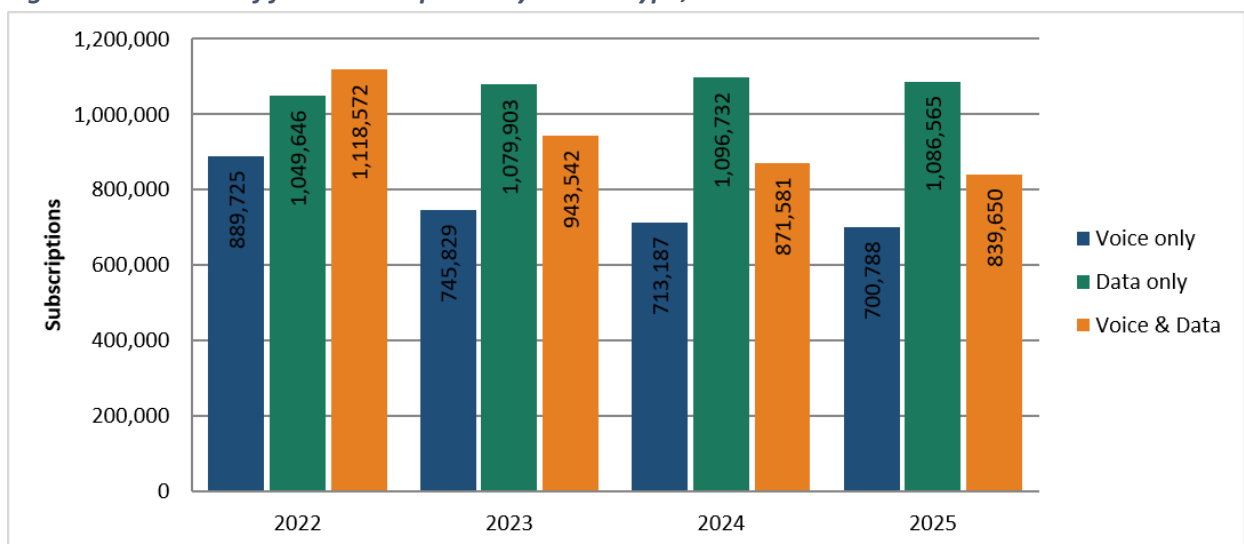
The market is in structural and irreversible decline. The subscription data for the review period shows a clear and sustained contraction of retail fixed voice market. Total fixed access telephone subscriptions declined from approximately 3.06 million in 2022 to 2.63 by Q4 2025, representing a reduction of approximately 14% over three years. This total fixed access figure includes data-only connections, which do not represent fixed voice demand. When the data-only category is excluded, the voice-relevant fixed market — comprising voice-only and voice-and-data bundled subscriptions — stands at only 1.54 million subscribers by Q4 2025, against approximately 2.01 million in 2022, representing a decline of approximately 24% in three years.

This decline is visible across both categories that include a fixed voice component. Voice-only subscriptions declined from approximately 890,000 in 2022 to 701,000 by Q4 2025, a reduction of around 21.2%. Voice-and-data bundled subscriptions declined more sharply, from approximately 1.1 million in 2022 to 840,000 by Q4 2025, a reduction of around 25%. As a result, the fixed voice component of the fixed access market has contracted materially in both absolute and relative terms.

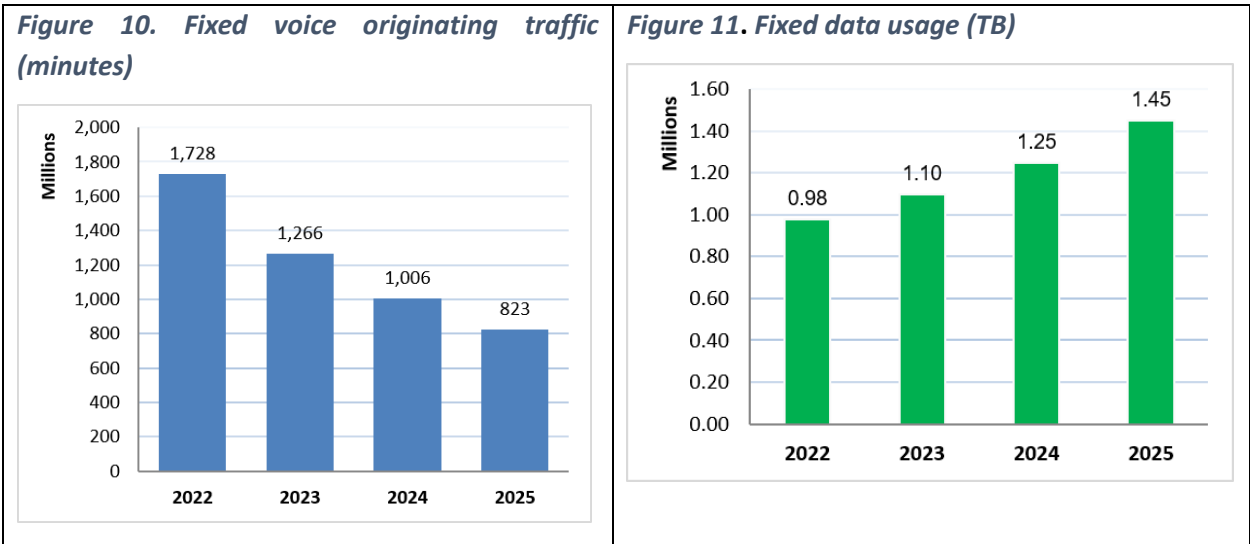
This pattern is analytically important. It indicates that the decline is not confined to a particular retail segment or tariff category. Demand for fixed voice is falling both where voice is purchased as a standalone service and where it is supplied alongside broadband. The decline therefore appears structural rather than temporary. It reflects a broader and continuing shift in end-user behaviour away from fixed voice towards mobile and internet-based communication services. Fixed voice therefore increasingly serves a residual subscriber base with specific usage patterns, legacy preferences, or local circumstances.

The data-only segment appears to have been the most resilient. It expanded during most of the review period and recorded a modest decline in 2025. This suggests that mobile voice and OTT applications are increasingly sufficient to meet end-users' voice communication needs, while fixed access remains valued primarily for broadband connectivity.

Figure 9. Evolution of fixed subscriptions by service type, 2022–2025



The traffic data is consistent with this interpretation. Fixed voice originating traffic declined from approximately 1.73 billion minutes in 2022 to approximately 823 million minutes in 2025 — a fall of approximately 52% over the review period. Over the same period, fixed data usage increased from approximately 0.98 million TB in 2022 to approximately 1.45 million TB in 2025, an increase of approximately 48%.



This divergence between fixed voice and fixed data is central to the forward-looking assessment. The fixed access market is not declining uniformly: the voice component is contracting, while the broadband component remains relevant, resilient and increasingly usage-intensive. This indicates that fixed access should not be treated as a single homogeneous market for regulatory purposes. The competitive dynamics and consumer-protection concerns associated with fixed broadband differ materially from those associated with legacy fixed voice and should therefore be assessed separately.

Market shares²⁰ and dynamics. Throughout the review period, SLT remained the largest operator in the retail fixed voice market, although its market share declined gradually from 81.4 % in 2022 to 77.2% in 2025. Over the same period, DBN increased its share from 14% to 22.8%, indicating some strengthening of the second-largest operator. Lanka Bell, which accounted for 4.6% of subscriptions in 2022, 0.6% in 2023, and ceased operation in mid- 2024. Despite the gradual rebalancing between SLT and DBN, the market remained highly concentrated throughout the review period. The Herfindahl-Hirschman Index (HHI) remained above 6,000 in each year. It is important to note, however, that the HHI reflects the distribution of market shares among the remaining/existing operators and serves as a structural screening indicator of market concentration. It does not, in itself, provide a direct measure of an individual operator’s ability to exercise or sustain market power.

²⁰ Note. Market shares are calculated by subscriptions as at end-December of each year, based on the voice-relevant fixed subscriber base (voice-only and voice and data bundled subscriptions; data-only connections are excluded). Lanka Bell is included for 2022 and 2023 only, as it ceased operations in mid-2024.

Figure 12. Fixed voice market shares by subscribers, 2022-2025

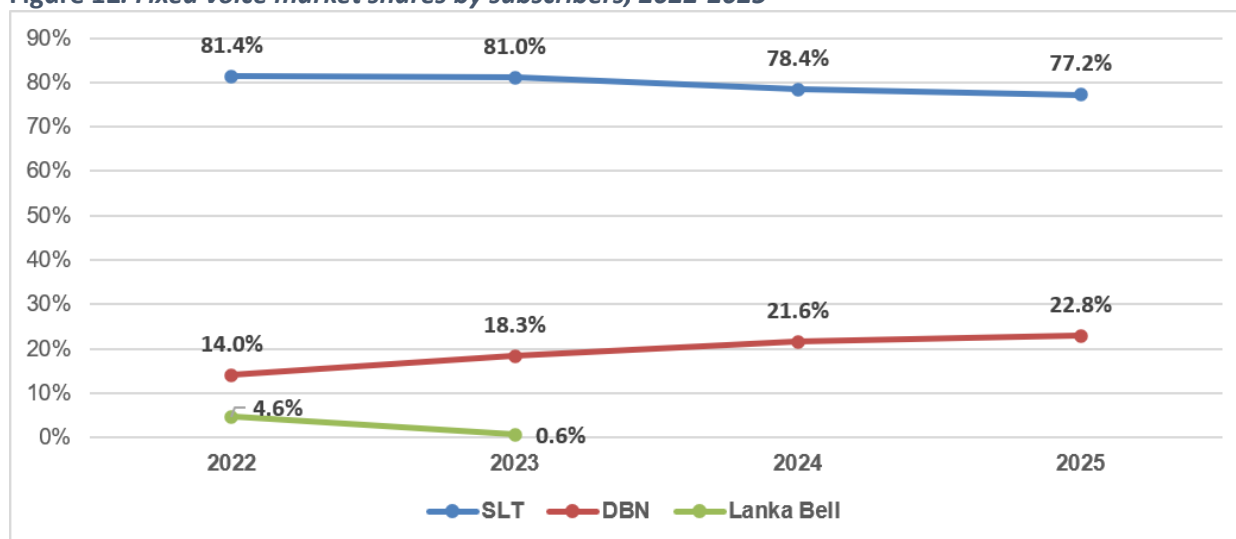


Figure 13. Total retail fixed voice subscriptions, millions, 2022-2025

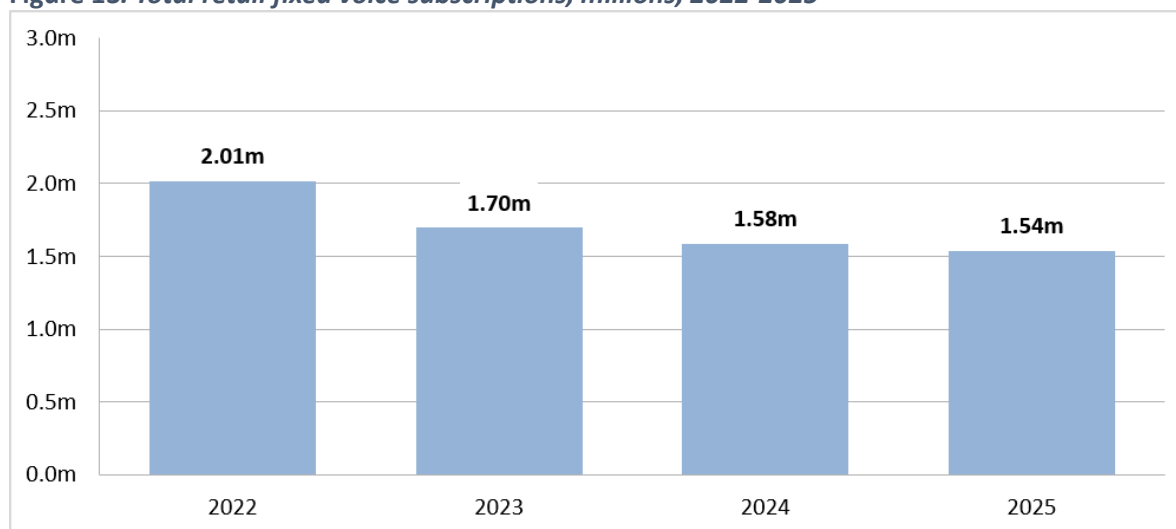


Table 4. Retail fixed voice market shares and concentration (HHI), end-December 2022-2025

Operator (share %)	2022	2023	2024	2025
SLT	81.4%	81.0%	78.4%	77.2%
DBN	14.0%	18.3%	21.6%	22.8%
Lanka Bell	4.6%	0.6%	–	–
Total (subscriptions)	2,008,297	1,689,371	1,584,768	1,540,438
HHI	6,881	6,955	6,614	6,477

Segment-level shares. Disaggregation of the retail fixed voice market into voice-only and bundled segments reveals two distinct competitive dynamics. In the declining voice-only segment, competition became more closely balanced over the review period. In the bundled segment, by contrast, SLT retained a strong and stable leading position, accounting for approximately 95% of subscriptions throughout 2022–2025. This reflects SLT’s leading position in fixed broadband and fibre access, over which bundled voice services are provided.

Figure 14. Voice-only segment: share of subscriptions by operator, 2022-2025

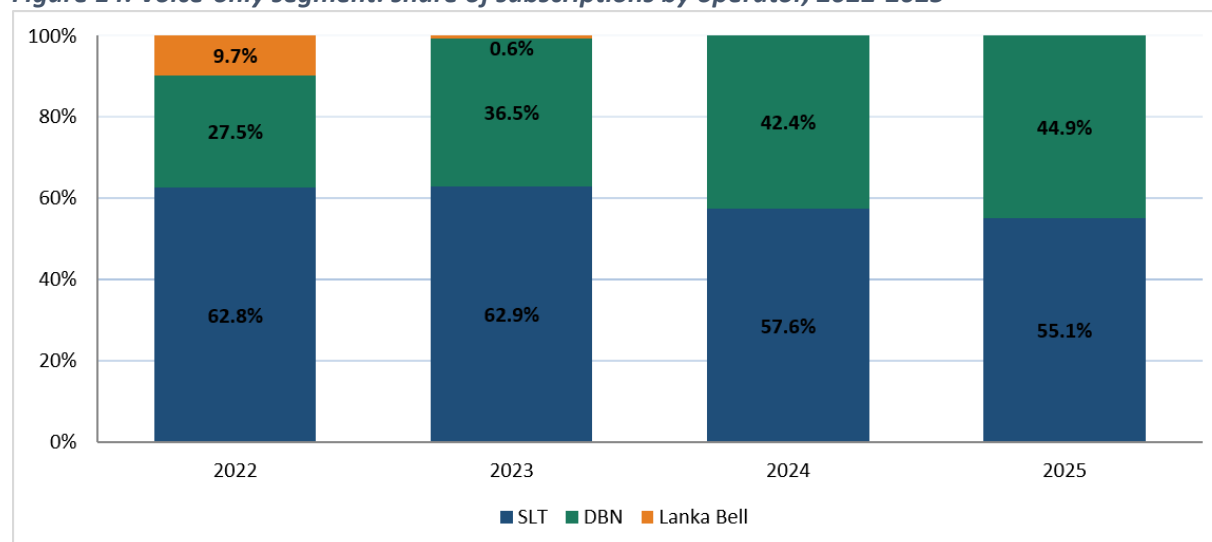
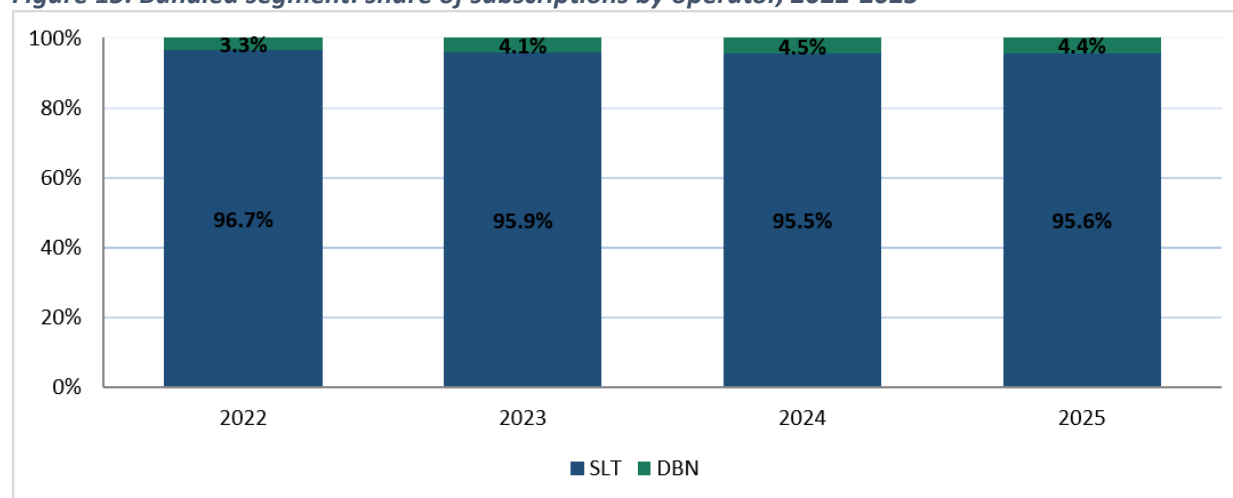


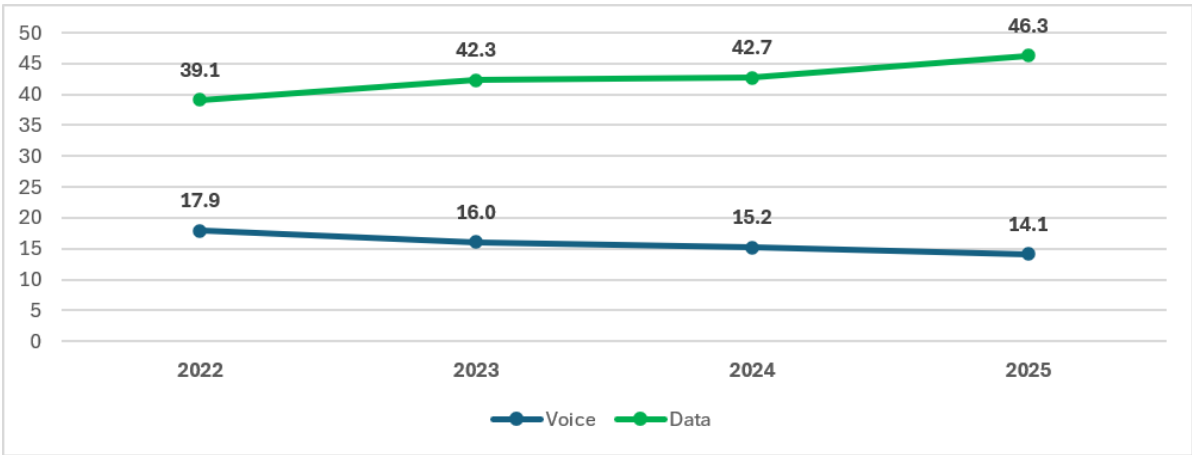
Figure 15. Bundled segment: share of subscriptions by operator, 2022-2025



Revenue trends confirm voice market decline and the migration from legacy access to fibre. The market fixed voice revenue declined from Rs. 17.9 billion in 2022 to Rs. 14.1 billion in 2025 (a fall of approximately 21%), while combined fixed data revenue rose from Rs. 39.1 billion to Rs. 46.3 billion over the same period (an increase of approximately 18%). By 2025, data revenue was more than three times the size of voice

revenue — confirming that data has become the dominant driver of fixed-sector revenue, while voice contributes a shrinking and increasingly marginal share.

Figure 16. Fixed market revenue trends, billion LKR, 2022-2025



***Lanka Bell revenues are not included in the evaluation. However, Lanka Bell’s revenues were relatively small and are therefore unlikely to materially affect the overall market trends.*

Fixed voice revenue at SLT declined by approximately 25% over the review period, while fixed data revenue rose by approximately 25% over the same period. As a result, data's share of SLT's fixed revenue increased from approximately 39% to approximately 45%, while voice's share fell from approximately 25% to approximately 17%, confirming that revenue growth at SLT is being driven entirely by data while voice continues to contract.

Table 5.SLT fixed revenue by service type, share of total revenue, 2022–2025

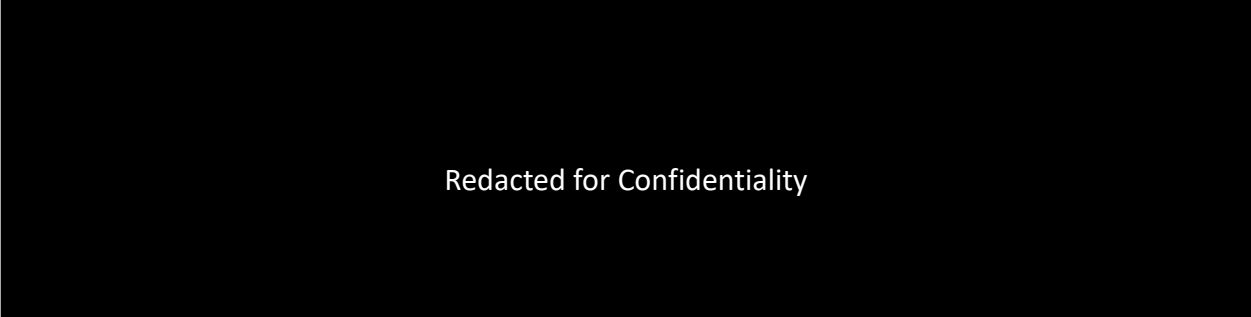
Redacted for Confidentiality

Additionally, SLT’s revenue trends confirm the migration from legacy access technologies to fibre. SLT’s fixed revenue disaggregated by access technology shows that the economic centre of its fixed business is shifting towards fibre. Between 2022 and 2024, SLT’s fibre revenue increased by approximately 51%. Over the same period, copper revenue declined by approximately 28%, while fixed-wireless revenue over LTE declined by approximately 47%. This confirms that fibre has become the principal revenue-generating access technology within SLT’s fixed business.

This revenue pattern is consistent with the access-line data. Over the same period, SLT’s copper lines declined by approximately 38%, while fibre lines increased by approximately 20%. Taken together, the

revenue and access-line evidence indicate that the contraction of fixed voice reflects, to a significant extent, migration from copper-based voice services to fibre-based bundled services.

Figure 17. SLT fixed revenue by access technology, 2022-2024



DBN disaggregates its reported fixed revenue by service type, into voice and data. Its reported fixed revenue is mainly data-driven: fixed data revenue dominates the retail fixed business and remained broadly stable at around LKR XX billion throughout 2022–2024, while reported voice revenue was comparatively small. Total fixed voice revenue increased modestly, from LKR XX billion in 2022 to LKR XX billion in 2024, whereas local voice revenue declined by approximately 26% over the same period.

This pattern is consistent with the structural decline of traditional local fixed voice services, even as DBN’s overall fixed business remains anchored in broadband data. It also supports the view that fixed voice is increasingly supplied as a complementary service within a broadband-based offer, rather than as a standalone revenue driver.

The sharp fall in DBN’s total reported revenue between 2023 and 2024 is explained by a substantial decrease in “other revenues”, rather than by any contraction in the core retail fixed voice or retail fixed data revenue lines, both of which remained broadly stable.

Table 6. DBN fixed revenue by service type, LKR millions, 2022–2025

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Table 7. DBN fixed revenue by service type, share of total revenue, 2022–2025

A large black rectangular box covering the entire area where Table 7 would be displayed. The text "Redacted for Confidentiality" is centered within this box in white font.

SLT retained a clear lead in fixed voice revenue in both 2024 and 2025²¹. Its share of the combined fixed voice revenue pool stood at 90.5% in 2024 and declined to 88.0% in 2025, while DBN's share increased from 9.5% to 12.0% over the same period.

No rational entrant would consider fixed voice-only entry. The subscriber and revenue trajectory has direct implications for the competitive entry analysis. In the retail fixed voice market, the sustained decline in subscriptions and revenue materially weakens the prospect of new entry. A contracting market offers limited incentives for new entry, particularly where entry would require sunk investment in fixed network infrastructure, interconnection arrangements and operational capabilities. As a result, the market cannot reasonably be expected to attract timely and effective entry capable of materially altering the existing competitive structure.

A rational potential entrant assessing the retail fixed voice market would face a structurally unattractive entry case. The voice-relevant subscriber base is declining every year, while the associated revenue pool is contracting in both volume and unit-value terms. Entry would require upfront licensing costs before the entrant could serve any subscriber, as well as substantial sunk investment in fixed access infrastructure or secure several wholesale inputs. Each of these would be subject to regulatory processes, technical implementation and/or commercial negotiation. The entrant would also be competing against two established operators with existing networks, customer relationships and brand recognition, both of which are themselves managing structural decline rather than market growth.

Taken together, these conditions indicate that timely and effective entry into the retail fixed voice market is unlikely within the relevant forward-looking period.

Lanka Bell's exit during the review period reinforces this assessment. Lanka Bell had more than 90,000 fixed subscribers in 2022, but its activity declined to minimal levels in 2023 and it ceased reporting fixed subscriptions from 2024 onwards. This indicates that even an established market participant with an existing subscriber base may be unable to sustain commercial operations in the face of structural demand decline and wider adverse economic conditions. The evidence indicates that Lanka Bell's withdrawal was driven by structural demand decline affecting the fixed segment as a whole and by wider macroeconomic distress during the review period, rather than by exclusionary conduct on the part of SLT or DBN. No evidence has been identified of conduct by either remaining operator that would account for Lanka Bell's exit. Meaning that operator's exit resulted from an unattractive underlying demand environment rather than from the actions of its rivals. A new entrant starting from zero would face even greater difficulties in attracting customers, recovering sunk costs and sustaining operations in a declining market.

Accordingly, the market is not tending towards effective competition through new entry or intensified intra-market competition.

²¹ Market revenues for 2022 and 2023 could not be calculated on a consistent basis because Lanka Bell's revenue data were not available in a directly comparable breakdown.

VII. Three Criteria Test

The three-criteria test is set out in Section 8 of the Competition Rules, 2024. Under this test, a relevant market is considered susceptible to ex-ante regulation only where all three of the following criteria are met simultaneously:

- (a) the presence of substantial and persistent structural, legal, or regulatory barriers to entry;
- (b) a market structure that does not tend towards effective competition within the anticipated timeframe of three to five years; and
- (c) the insufficiency of existing competition law to effectively address the identified competition concerns.

Failure to satisfy any one of these criteria implies that the market should not be subject to ex-ante regulatory intervention.

Criterion 1. The presence of substantial and persistent barriers to entry

The first criterion of the three-criteria test requires an assessment of whether substantial and persistent structural, legal, or regulatory barriers to entry exist in the relevant market. This assessment focuses on current and forward-looking market conditions and evaluates whether potential new entrants could realistically enter the market and exert competitive pressure on incumbent operators within a reasonable timeframe.

Regulatory and legal barriers. Entry into the retail fixed voice market requires the acquisition of a fixed telecommunications system licence or telecommunications service licence. Licensing is not automatic and is subject to regulatory discretion, procedural requirements, and associated fees. The issuance of a system licence under Section 17 of the Sri Lanka Telecommunications Act is at the discretion of the Minister, while the TRCSL is empowered to issue licences defined under Section 17B(1)b of the Act. SLT hold fixed telecommunications system licences, which are issued for a period of ten years, subject to renewal²². DBN hold three relevant licences: telecommunication system licence²³ (deploy and provide services using the system), leased circuit and ISP licence²⁴, which allows it to use others infrastructure for Internet services provision. The ISP licence is therefore relevant for broadband services provision, but not number-based fixed voice services provision.

Fixed system licence fee is 960 million (excluding taxes) for wireline, and a licence fee of LKR 480 million for wireless for 10-year period. The service licence fee amounts to LKR 1 million (excluding taxes) for the licence term of 5 years, but requires wholesale access to third-party infrastructure. In addition, licensees must comply with regulatory obligations (set in licensing conditions and other legal documents), including reporting requirements and tariff regulation, under which retail prices for voice services are subject to regulatory approval and cost-based scrutiny. Taken together, these legal and regulatory requirements constitute substantial barriers to entry that cannot be easily or rapidly overcome by new entrants.

²² [SLT L 2023.pdf](#)

²³ https://www.trc.gov.lk/content/files/licensing/provider_licence/20260519102946.pdf

²⁴ [20240219094631.pdf](#)

Structural barriers: access to scarce radio spectrum or infrastructure that is not easily duplicated (sunk investment). Fixed voice service delivery requires substantial infrastructure investment that is largely sunk and non-recoverable:

- Deployment of a fixed access network requires significant capital investment. This applies across copper, fibre and fixed wireless access (FWA) technologies, although the cost structure differs by technology. In particular, fibre deployment requires substantial upfront expenditure on civil works, access routes, ducts, poles, customer drops and related passive infrastructure. These investments are difficult to redeploy to alternative uses and therefore represent a significant structural barrier to entry.

SLT has sustained a multi-year, capital-intensive fibre deployment programme, reflected in a capital-expenditure-to-revenue ratio of around 20 per cent. According to Fitch Ratings, this ratio was expected to ease to approximately 20 per cent in 2024 as the principal fibre build approached completion and the operator shifted towards more selective capital spending focused on critical projects only. This level of capital intensity is high by telecommunications-sector standards and illustrates the scale of investment required to compete effectively in fixed access infrastructure.

- Wholesale access regulation does not exist. An entrant seeking to provide fixed voice services without deploying its own access network would need to lease the local loop or equivalent access product from existing operators. Without regulated wholesale, supply-side entry is contingent on self-build.
- FWA network deployment requires spectrum acquisition, base station infrastructure, and backhaul — all of which are sunk costs relative to the fixed voice market specifically. The cost of establishing a single mobile tower base station in Sri Lanka — including equipment, civil works, power systems, and backhaul — is estimated at approximately LKR 40- 45 million (around USD 130,000 -150,000 at current exchange rates).

Table 8. Fixed wireless access network resources by operator

	DBN	SLT
Number of operated base stations ²⁵	2567	1750
Shared 4G/LTE sites (MOCN) with affiliate for mobile service provision	334 (shared with Dialog)	830 (shared with Mobitel)
Frequency band and bandwidth allocated	2300/75	2600/100
Geographic scope	All island	All island

- Fixed-line network deployment also carries significant sunk costs. International benchmarks indicate that civil-engineering works — trenching, ducting, and cable installation — typically account for the order of 60–80% of total fixed-network deployment cost. Illustrative international benchmarks suggest that the cost of passing a premises with fibre can range from several hundred

²⁵ TRCSL data

USD in dense urban areas, particularly where existing ducts or poles can be reused, to several thousand USD in low-density or difficult-to-serve areas. Published estimates commonly place urban deployment in the range of around USD 700–1,500 per premises passed, while rural or low-density deployment can exceed USD 3,000 per premises passed. The variation is driven primarily by civil works, route length, premises density, rights-of-way, duct or pole availability and terrain, rather than by active network electronics alone²⁶.

The existing operators' fixed access networks are the result of cumulative investment over many years. A new entrant seeking to compete on an infrastructure basis would need to replicate a substantial part of this network. While a degree of infrastructure sharing exists in Sri Lanka—primarily in the form of passive sharing such as towers and sites—such arrangements do not eliminate the need for substantial investment in active network elements. Accordingly, sharing reduces duplication to a limited extent but does not materially lower the structural barriers to entry.

Table 9. Fixed access network infrastructure by operator and technology, 2022–2025

Indicators ²⁷	31.12.2022	31.12.2023	31.12.2024	31.05.2025
SLT				
COPPER Access Network				
Number of access lines: copper	782,603	616,896	518,519	485,872
FIBER Access Network				
Number of access lines: optical fibre	Redacted for Confidentiality			
Fibre route length (km) ²⁸	53,414	63,531	66,392	67,672
FWA LTE (Fixed 4G LTE) Access Network				
LTE base stations	1,641	1,641	1,641	1,795
DBN				
FIBER Access Network				
Fibre network length (km)	215.57 Km	215.57 Km	224.13 Km	224.13 Km
Active fibre lines/subscribers	Redacted for Confidentiality			
FWA LTE (Fixed 4G LTE) Access Network				
LTE base stations	2,523	2,551	2,566	2,574

- Interconnection infrastructure, PSTN switching capability all require upfront investment.
- The financial barriers to entry are amplified by the declining nature of the fixed voice market. Where overall demand is contracting, the expected revenue stream available to a new entrant is both smaller and more uncertain. This reduces the likelihood that substantial sunk investment in

²⁶ [A Cost Analysis of FWA vs FTTH - Inside Towers](#), [Fiber Deployment Annual Report 2023](#), [Market Intelligence | FTTH Council Europe](#)

²⁷ Data provided by the operators.

²⁸ TRCSL data

fixed access infrastructure, interconnection arrangements and operational systems could be recovered within a reasonable period. In a declining market, the risk of stranded assets is higher, as fixed voice infrastructure may have limited residual value if subscriptions continue to fall or demand shifts further to mobile and IP-based alternatives. Existing operators can rely on deployed networks and existing subscribers to support cost recovery, while a new entrant would start from zero. The effective barrier to entry is therefore not only the licence fee, but the need to finance and recover substantial sunk investment in a contracting market.

Limited effectiveness of wholesale-based entry options. While entry to the retail fixed voice market could in principle occur through wholesale access arrangements — such as wholesale line rental, local loop unbundling, or access to the incumbent's ducts and poles — these alternatives do not materially reduce entry barriers in practice. Wholesale-based entry depends on the willingness of the fixed-network incumbent to provide access on commercially viable terms and on the existence of an effective enabling regulatory framework. As established elsewhere in this analysis, Sri Lanka does not currently operate a regulated wholesale-access regime for fixed networks: there is no mandated local loop unbundling, no regulated bitstream or wholesale line rental product.

Sri Lanka does have a legal infrastructure-sharing framework: the Telecommunications Infrastructure Sharing Regulations No. 1 of 2024 apply to Section 17 operators and require an infrastructure-owning operator, upon request, to negotiate and enter into an Infrastructure Sharing Agreement and provide access to its telecommunications infrastructure. However, this framework should be distinguished from an operational wholesale fixed-access regime. Existing infrastructure sharing arrangements are largely confined to passive infrastructure sharing in mobile sector (such as towers and sites) and do not extend to the fixed access network — the copper and fibre local loop, dark fiber, ducts — on terms that would enable a competitor to serve retail fixed voice customers. Accordingly, although operators have a regulatory right to request access to relevant infrastructure, the available evidence does not indicate that this framework has yet resulted in readily available wholesale access products that would allow an entrant to serve retail fixed voice customers without deploying its own access network.

As a result, wholesale-based entry cannot be considered a readily available, timely, or reliable route to market, and therefore does not mitigate the substantial and persistent barriers to entry in the retail fixed voice market.

Competitive impact of OTT services on entry barriers. The assessment of barriers to entry also considers the competitive impact of OTT services on traditional telecommunications markets. OTT voice and messaging applications can reduce entry barriers at the service level, as they enable players to offer voice-like functionality without the need to obtain telecommunications licences or invest in access-network infrastructure. However, while OTT services influence consumer behaviour, usage patterns, and traffic substitution, they do not eliminate the structural and regulatory barriers associated with entry into the retail fixed voice services market as defined. OTT applications depend on an underlying broadband connection and do not replicate the functionality of a traditional fixed voice service, including guaranteed availability, a geographic numbering identity, emergency-call access, and service continuity independent of a data subscription. Public institutions, businesses, and call centres, in particular, continue to rely on

traditional fixed voice services. Accordingly, while OTT services exert indirect competitive pressure, they do not materially lower the barriers to entry faced by potential new entrants in the relevant market.

Taken together, it is concluded that substantial and persistent barriers to entry exist in the retail fixed voice market in Sri Lanka. These barriers are significant and enduring barriers, both regulatory and economic in nature and are unlikely to diminish within the relevant forward-looking timeframe. Accordingly, **the first criteria of the three-criteria test is met.**

Criterion 2. The market is not tending towards effective competition

The second criterion of the three-criteria test examines whether, notwithstanding the presence of high and non-transitory barriers to entry, the relevant market nonetheless shows a tendency towards effective and sustainable competition within a reasonable forward-looking timeframe. By definition, Criterion 2 is forward-looking. It is not fulfilled where there is sufficiently clear evidence that market developments will lead to sustainable competition without regulation. Conversely, where the evidence indicates increasing concentration, limited rivalry, or a lack of credible competitive constraints, the criterion is satisfied.

In a structurally growing or stable market, this question is usually addressed by assessing whether existing competitive dynamics are likely to intensify or whether entrenched market power is likely to persist. In the Sri Lankan retail fixed voice market, however, the prior question is more fundamental: **whether the market is likely to persist, during the review period, in a form that continues to warrant ex ante regulatory attention.**

The barriers identified under Criterion 1 are directly relevant to this forward-looking question, and not only to the separate issue of entry barriers. Where sunk infrastructure costs are substantial and the addressable revenue pool is contracting, the emergence of new fixed voice entrants capable of disciplining incumbent behaviour through internal rivalry is correspondingly unlikely. The forward-looking assessment under Criterion 2 must therefore look to constraints external to the fixed voice market rather than to prospective new entry or intensified rivalry among fixed operators.

Competitive constraints from mobile and OTT services. The sustained decline in fixed voice subscriptions, combined with very high mobile voice penetration, indicates that mobile and OTT services exert an indirect, out-of-market competitive constraint on fixed voice. For most users, mobile voice has become the primary voice service. OTT communication services further reinforce this constraint, particularly for users with access to fixed or mobile broadband.

This does not require finding that mobile voice and fixed voice belong to the same relevant market (as indicated in the market definition section). Rather, for the purposes of Criterion 2, the key point is that mobile and OTT services materially limit the ability of fixed voice providers to exercise market power over the broad retail customer base. Any attempt to increase fixed voice prices materially, or to reduce service quality materially, would be constrained by the ability of many users to rely on mobile and internet-based alternatives.

On this evidence, the leading position reflected in SLT's subscription share does not necessarily translate into durable market power. It reflects a large share of a shrinking and externally constrained market, rather than a position from which prices could be sustainably raised above competitive levels. Revenue

trends reinforce the conclusion that SLT's high subscription share has not translated into durable power in the retail fixed voice market.

Between 2022 and 2025, SLT's fixed voice revenue declined by 25%, while its voice-relevant subscriber base declined by approximately 27.5%. On this basis, implied monthly voice ARPU increased only marginally, by approximately 3%, over the review period. This increase was substantially below the cumulative rise in the general price level over the same period and therefore represents a material decline in real terms²⁹. These outcomes should, however, be interpreted with caution. Retail fixed voice tariffs remained subject to regulatory approval during the review period, and ARPU also reflects changes in usage and customer and bundle mix. They therefore do not, by themselves, demonstrate how SLT would price fixed voice services following withdrawal of broad tariff controls. Nevertheless, the continued decline in fixed voice subscriptions and usage, together with the growing availability of mobile and OTT alternatives, indicates that fixed voice providers face increasing competitive constraints. These constraints are strongest for customers who can readily switch to alternative services, while targeted safeguards may still be needed for vulnerable or legacy-dependent users with fewer alternatives.

A similar pattern is evident at the market level. Combined SLT and DBN voice ARPU, calculated on a year-end subscriber basis, declined by approximately 1.6% in nominal terms between 2022 and 2025. This nominal increase was significantly below cumulative inflation over the same period. This suggests that the constraint on fixed voice pricing applies across the market rather than only to SLT and is consistent with the wider competitive pressure exerted by mobile and OTT-based communications services.

Taken together, the subscriber and revenue evidence indicates that SLT has not been able to convert its leading market share into sustained real-terms price increases. Fixed voice revenue has declined, implied ARPU has fallen in real terms, and fixed voice is becoming less important within SLT's overall commercial portfolio. The evidence therefore supports the conclusion that SLT's position reflects a large share of a shrinking and externally constrained market, rather than a position from which sustained pricing power could readily be exercised over the forward-looking review period.

The principal remaining concern relates to vulnerable or legacy-dependent users for whom substitution is weaker. This distinction is important for proportionality. Broad retail tariff regulation applies to the entire customer base, including users already protected by effective mobile and OTT alternatives and would therefore be poorly targeted. The more proportionate response is to remove market-wide controls while retaining focused safeguards for the residual groups most exposed to price increases, service deterioration or withdrawal. Such safeguards may include a basic fixed voice offer, concessionary tariff protections, advance notice of price changes or service withdrawal, and assisted migration to suitable alternatives.

Conclusion on Criterion 2. Taking these elements together, the retail fixed voice market is not tending towards effective competition through stronger rivalry between fixed voice providers or through prospective new entry. However, the purpose of Criterion 2 is to identify markets in which, absent ex ante

²⁹ Sri Lanka's annual-average Colombo Consumer Price Index was approximately 46.4% in 2022 and 17.4 % in 2023 before stabilising in 2024–2025 (Central Bank of Sri Lanka) [Measures of Consumer Price Inflation | Central Bank of Sri Lanka](#)

regulation, consumers would remain exposed to the sustained exercise of market power. That condition is not met here. Fixed voice is a structurally declining service, and competitive discipline is increasingly provided by alternatives outside the defined market, particularly mobile voice and OTT communication services. Although these services are not sufficiently close substitutes to be included in the same relevant product market, they materially constrain the ability of fixed voice providers to raise prices or reduce quality across the broader customer base. The residual leading position in fixed voice therefore does not translate into durable and exploitable market power over the forward-looking period.

The remaining concern is concentrated among a narrower group of users who continue to depend on fixed voice services and have a more limited ability to switch. This is a targeted consumer-protection issue rather than a market-wide competition problem requiring comprehensive retail SMP regulation. Broad tariff controls would apply to the entire customer base and would therefore be disproportionate to the nature and scope of the remaining risk.

This approach is consistent with international regulatory practice (discussed below). Across the jurisdictions considered below, the common justificatory logic for deregulation is not a finding that the declining market has become internally competitive, but a cumulative demonstration that: (i) the market shows substantial, quantified decline and substitution to adjacent services; (ii) a competitive constraint external to the market — rather than rivalry within it — is sufficient to discipline pricing and service quality; (iii) any remaining risks to voice-dependent or vulnerable users could be addressed through targeted and proportionate safeguards rather than broad market-wide regulation.

The Sri Lankan retail fixed voice market displays the same characteristics. **Criterion 2 is therefore not met.** As the three criteria are cumulative, the three-criteria test fails, and broad ex ante sector-specific regulation of the retail fixed voice market is not warranted. Any remaining risks should instead be addressed through proportionate, targeted safeguards.

Criterion 3. Competition law alone is insufficient to address the market failure

The third criterion of the three-criteria test examines whether, in the absence of ex-ante regulation, national competition law (together with general consumer-protection law and other instruments of general application) would be sufficient to address any market failure identified.

As established above, the retail fixed voice market does not satisfy Criterion 2. The market is in sustained structural decline, and the leading operator's position is not capable of being translated into durable market power over the forward-looking review period, given the increasing constraint imposed by mobile and OTT-based communication services.

As Criterion 2 is not met, the retail fixed voice market is not susceptible to ex ante regulation under the cumulative three-criteria test. A separate determination under Criterion 3 is therefore unnecessary and would not affect the overall conclusion. The remaining concern relates primarily to a limited and diminishing group of users who may continue to depend on fixed voice services because of affordability, accessibility or legacy-service needs. These concerns are more appropriately addressed through targeted measures, such as a basic fixed voice offer, safeguards for concessionary tariffs, universal-service measures where justified, transparency requirements, advance notice of service withdrawal or migration, and support for affected users.

Accordingly, Criterion 3 is not assessed further.

Conclusion on the three-criteria test. The retail fixed voice market in Sri Lanka does not satisfy the three-criteria test. Criterion 1 is met, as high and non-transitory barriers to entry remain present. However, Criterion 2 is not met. The market is in sustained structural decline, and the leading operator's residual position is not capable of being translated into durable market power, given the accelerating substitution by mobile voice and OTT-based communications. As the three criteria are cumulative, the failure of Criterion 2 is sufficient to conclude that the market is not susceptible to ex-ante regulation. Accordingly, broad ex-ante sector-specific regulation of the retail fixed voice market is not warranted. The residual interests of vulnerable or legacy users should instead be protected through proportionate and targeted measures. Any residual consumer-protection concerns can be addressed through general competition framework and targeted regulatory instruments, rather than through broad ex-ante sector-specific regulation.

This conclusion concerns the retail fixed voice market only. It does not imply that regulation of wholesale fixed access is unnecessary. On the contrary, wholesale access obligations on SLT's fixed access infrastructure may be necessary where SLT's copper and fibre local access networks constitute bottleneck facilities for competition in downstream fixed broadband markets. TRCSL will therefore assess the relevant wholesale fixed access markets separately.

The regulatory focus should accordingly shift away from broad retail tariff control of fixed voice services and towards the proportionate protection of residual fixed voice users, while ensuring effective wholesale access remedies where they remain necessary to support competition in fixed markets.

Consistency with international regulatory practice. International regulatory practice has increasingly recognised that structurally declining fixed voice markets may no longer warrant broad ex ante sector-specific regulation. The European Commission removed retail fixed voice from the list of markets susceptible to ex ante regulation in 2014, reflecting the view that such retail markets were, in general, no longer prospectively susceptible to the three-criteria test. In the United Kingdom, Ofcom deregulated wholesale call origination in its 2021 Wholesale Voice Markets Review, citing a 76% decline in fixed call volumes and the structural shift to mobile and OTT (a 52% increase in mobile call volumes)³⁰. In New Zealand, the Commerce Commission in May 2026 initiated a formal deregulation investigation, citing sustained fixed-line decline and widespread availability of mobile and OTT alternatives³¹.

A comparable proportionality logic is evident in developing and middle-income markets, where tariff regulation is increasingly applied only where it remains necessary, and withdrawn or withheld as fixed voice contracts and substitution intensifies, with residual affordability or consumer-protection concerns addressed through targeted safeguards rather than market-wide ex-ante retail tariff control (e.g. India, Malaysia, Kenya³²).

³⁰ [Statement: Wholesale Voice Markets Review 2021-26](#)

³¹ [Review-of-Fixed-PSTN-Interconnection-Reasonable-Grounds-Assessment-Draft-Decision-10-February-2026.pdf](#)

³² In India, telecommunications tariffs, including for fixed-line services, are under a policy of forbearance, with operators free to set their own tariffs subject to transparency requirements, while the regulator retains targeted measures for specific services such as rural fixed-line services. In Malaysia, the MCMC has progressively removed

The relevant international lesson is not that fixed voice markets must display textbook levels of intra-market competition before regulation can be withdrawn. In these jurisdictions, the deregulatory conclusion did not depend on the existence of strong competition between fixed voice operators within the declining market. Rather, the common basis for deregulation was the combination of structural demand decline, competitive discipline from adjacent services, and the availability of targeted consumer-protection instruments to address the needs of residual users.

This approach is directly relevant to Sri Lanka. The evidence does not indicate that the retail fixed voice market is likely to become effectively competitive through new fixed voice entry. Instead, it shows a market being progressively displaced by mobile voice and internet-based communication services. In such circumstances, continued broad retail regulation may no longer be necessary or proportionate. The more appropriate regulatory response is a managed transition from broad ex ante control towards targeted protection of residual users, where such protection remains justified.

Regulatory resource allocation and forward-looking institutional treatment. Beyond the three-criteria test itself, two further considerations support the proportionality of withdrawing broad ex ante retail tariff regulation from the market.

First, tariff filing, approval and compliance monitoring require ongoing use of TRCSL's regulatory and enforcement resources. In a structurally declining market that is increasingly constrained by adjacent services, the incremental consumer benefit of maintaining broad retail tariff controls is likely to be limited. Regulatory resources could be deployed more effectively in markets where ex ante intervention remains capable of materially influencing competitive outcomes, including the relevant wholesale layer markets.

Second, the present finding should inform the market's treatment in future review cycles. Consistent with the approach reflected in the European Commission's Recommendation on Relevant Markets or other jurisdictions, markets that no longer satisfy the cumulative three-criteria test need not remain subject to routine periodic ex ante review. TRCSL may therefore consider removing the retail fixed voice market from the list of markets.

This would not prevent TRCSL from reopening the market where there is evidence of a material change in competitive conditions, such as a sustained reversal of demand decline, the emergence of new barriers to switching, or exclusionary conduct. It would, however, avoid the recurring regulatory cost of reassessing a market where the available evidence supports a durable conclusion that broad ex ante retail regulation is no longer warranted.

Proportionality and targeted protection of residual users. The remaining voice-relevant subscriber base, estimated at 1,540,438 subscriptions as of Q4 2025, is not homogeneous. As the retail fixed voice market contracts, the residual subscriber base is increasingly likely to include users with specific legacy, affordability, accessibility or coverage-related needs. This may include users relying on concessionary or special tariffs, public-sector users, religious organisations, elderly users, and users in areas where mobile or broadband-based alternatives may not provide an equivalent substitute.

fixed voice-related services from its regulated access list as fixed numbers migrated across networks and OTT substitution intensified. In Kenya, the tariff framework applies an explicit three-criteria test to determine whether any segment warrants ex-ante regulation, and retail fixed voice is not among the segments currently regulated.

These users may have legitimate reasons to continue relying on fixed voice services and may face a higher risk of harm if fixed voice prices increase sharply, if legacy services are withdrawn without adequate notice, or if concessionary tariffs are discontinued. Their interests therefore remain relevant to the regulatory assessment and may warrant continued protection.

However, the existence of a residual group of users requiring protection does not, in itself, justify maintaining broad ex ante tariff regulation of the entire retail fixed voice market. The appropriate regulatory response should be proportionate to the identified concern. Where the principal issue is the protection of a defined residual user group, rather than the functioning of a mass-market retail service, targeted instruments are likely to be more appropriate than broad market-wide tariff controls.

Such instruments could include obligations to maintain a basic fixed voice offer, safeguards for concessionary or social tariffs, universal service obligations where justified, transparency and notice requirements before service withdrawal or migration, and consumer protection rules addressing unfair contract terms, excessive migration costs, unreasonable disconnection practices, or unnotified termination of services for voice-only subscribers.

These instruments address the identified consumer protection concern directly and proportionately, without imposing the compliance costs and investment distortions associated with broad ex-ante tariff regulation on a market that is structurally declining.

VIII. Proposed regulatory approach for fixed voice services

The assessment indicated that retail fixed voice market is characterised by sustained structural decline, declining demand for fixed voice services, weak prospects for entry, and increasing competitive constraints by adjacent services. In these circumstances, the continued application of broad ex ante retail tariff regulation to the entire fixed voice market would not appear proportionate. The appropriate regulatory response should therefore be targeted, transitional and proportionate.

At the wholesale level, no additional regulation appears necessary for the provision of retail fixed voice services. Interconnection and call termination charges (constituting the principal upstream inputs) between licensed operators are already regulated under TRCSL Determination No. 08 of 2010 and its revision in 2022, which established regulated termination rates and a glide path for their progressive reduction. Under the subsequent implementation of this framework, termination rates were reduced to LKR 0 per minute by 2025. This framework already addresses the principal competition concern that wholesale intervention would ordinarily seek to prevent: the use of termination arrangements as a barrier to entry or as a means of foreclosing competing operators. No further ex ante wholesale remedy is therefore required for this purpose.

Accordingly, subject to the statutory conditions applicable under Section 6A(4) of the Sri Lanka Telecommunications Act, TRCSL should consider forbearing from the continued application of broad retail fixed voice tariff approval obligations. Any such forbearance decision may be made subject to a limited safeguard regime aimed at protecting dependent and vulnerable users, while allowing operators to manage the commercial and technological transition away from legacy fixed voice services. These safeguards should be proportionate, technology-neutral and focused on service continuity, affordability,

transparency and protection of vulnerable or dependent users, rather than on preserving fixed voice as a mass-market service.

Safeguard	Purpose	Possible obligation	Possible regulatory instrument
Basic fixed voice offer	Ensure continued access to a basic fixed voice service for users who still rely on it.	Operators providing retail fixed voice shall maintain at least one basic residential fixed voice offer, where technically feasible, on transparent and non-discriminatory terms. This shall not require preservation of a specific legacy technology where an acceptable alternative is available for these customers.	Licence conditions to include universal service obligation, and terms to safeguard dependent and vulnerable users.
Protection of concessionary and vulnerable-user tariffs	Prevent disproportionate harm to users relying on social, concessionary or special fixed voice tariffs.	Operators shall notify TRCSL and affected users before withdrawing, materially increasing the price of, or materially worsening any concessionary, social, religious or vulnerable-user fixed voice tariff. TRCSL may require transitional safeguards where justified.	Licence conditions including tariff notification rule, and terms to safeguard dependent and vulnerable users.
Service withdrawal and migration safeguards	Allow migration from legacy technologies while ensuring continuity, notice and user protection.	Operators intending to withdraw, replace or migrate fixed voice services for a geographic area or customer group shall notify TRCSL and affected users in advance, identifying the services affected, timeline, acceptable alternatives and support measures for the affected customers.	Licence condition; and terms to safeguard affected consumers.
Transparency of tariffs and service terms	Ensure users understand whether they are buying voice-only, bundled voice/data or data-only services.	Operators shall publish clear and up-to-date information on fixed voice tariffs, charges, contract terms, service limitations, bundled conditions and migration options.	Tariff guidelines assuring transparency, licence condition to ensure consumer interest.
Targeted backstop against harmful tariff changes	Allow TRCSL to intervene in exceptional cases without maintaining general ex ante tariff approval.	TRCSL may review fixed voice tariff changes where there is evidence of excessive, discriminatory or insufficiently transparent pricing, or likely material harm to vulnerable or dependent users.	Margin squeeze test on wholesale products

Monitoring and reporting	Enable TRCSL to assess whether safeguards remain necessary and proportionate.	Operators shall periodically report fixed voice subscriptions, traffic, tariff changes, complaints, service withdrawals, customer migration activity and use of concessionary tariffs.	Licence condition to ensure periodic reporting on fixed voice subscriptions, traffic, tariff changes, complaints and use of concessionary tariffs.
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IX. Market definition of the retail fixed broadband market

In accordance with the Competition Rules, 2024, the retail fixed broadband market has been identified as a predefined market subject to ex ante assessment. Consistent with the analytical framework set out in the Rules, the Commission proceeds to define the relevant product and geographic market, assess demand- and supply-side substitutability, and evaluate the conditions of effective competition within the defined market.

9.1. Product market definition – fixed broadband (M3)

As discussed in the product market definition for retail fixed voice services, retail fixed voice and retail fixed broadband constitute separate relevant product markets in Sri Lanka. Several considerations support maintaining this analytical distinction:

- First, the Competition Rules, 2024 identify fixed voice and fixed broadband as separate markets. While this regulatory classification is not, by itself, determinative of the outcome of the present market-definition exercise, it provides a relevant starting point and reflects the materially different functions and competitive conditions associated with the two services.
- Second, fixed voice and fixed broadband are functionally non-substitutable, and their relationship is complementary. Fixed voice provides real-time interpersonal communication, whereas fixed broadband provides general-purpose internet access supporting a wide range of applications and services. Their relationship is therefore predominantly complementary rather than purely competitive.
- Third, the two services exhibit materially different competitive trajectories. As established in the retail fixed voice analysis, fixed voice is undergoing structural decline. Competition among fixed voice providers is limited, and the principal competitive constraints arise from services outside the fixed voice segment. Retail fixed broadband, by contrast, continues to exhibit an investment-led competitive process. DBN, as the principal challenger, has expanded its market position through the deployment of fixed wireless access and fibre infrastructure, while the decline in SLT's position, as the incumbent operator, appears to be moderating. The market has also attracted additional entry, including a cable television operator offering fibre-based broadband services. Fixed broadband is also subject to a distinct and evolving set of external competitive constraints, including mobile broadband and satellite broadband.

- Fourth, the standalone availability and purchase of each service demonstrate that fixed voice and fixed broadband are distinct products. Both operators offer fixed broadband without an accompanying fixed voice service³³. At the same time, fixed voice-only subscriptions continue to exist and are reported separately by both operators. The continued presence of broadband-only and voice-only customer bases provides direct evidence that consumers and suppliers treat the services as distinct products. The fact that the two services may also be purchased together as part of a bundle does not alter this conclusion. Bundling is a commercial mode of supply and does not, in itself, establish that the bundled components form a single relevant product market.
- Finally, the separate treatment of fixed voice and fixed broadband is consistent with established international regulatory practice. Regulatory authorities commonly define retail and wholesale fixed voice and fixed broadband as distinct markets, notwithstanding that the services may be delivered over the same local access network. Shared physical infrastructure is relevant primarily at the wholesale and network layers; it does not determine whether the retail services supplied over that infrastructure are demand-side substitutes. This approach is also consistent with the treatment of mobile services.

Accordingly, retail fixed voice and retail fixed broadband are defined and assessed as separate relevant product markets.

Retail fixed broadband offers in Sri Lanka may broadly be categorised as follows:

- Standalone data-only services;
- Bundled voice-and-data services;
- Triple-play bundles combining voice, broadband, and IPTV or other content services.³⁴

The market is currently served by two main operators: SLT and DBN. A third operator, Lanka Bell, ceased operations in March 2024. The market has also attracted additional entry at the beginning of 2026, including a cable television operator offering fibre-based broadband services. By late 2025, fixed broadband was delivered over a mix of xDSL, FTTx and LTE fixed wireless access (FWA) technologies.

The two operators (SLT and DBN) differ structurally in the way they package fixed voice and fixed broadband services. DBN's retail architecture is broadband-led: fixed broadband is supplied as the core product, with fixed voice generally available as an optional add-on. SLT's product architecture, reflecting its legacy copper and DSL network, has historically linked broadband provision to an active fixed voice line. This linkage is, however, becoming progressively less relevant as SLT expands its FTTx footprint and migrates customers away from copper-based access.

Three considerations support defining retail fixed broadband as a single, technology-neutral relevant product market rather than separating services according to the underlying access technology:

³³ Although bundled offers are more prevalent, particularly in SLT's retail portfolio, standalone broadband-only services remain available. [SLTMobitel](#)

³⁴ Television services are licences and regulated separately and it outside the scope of this market assessment.

- First, consumers generally purchase broadband on the basis of speed, price, data allowance and service quality rather than access technology. Both SLT and DBN market their retail broadband portfolios as a ladder of speed and price packages. The technology used to deliver the selected package is largely determined by the infrastructure available at the customer's premises rather than by an independent choice between xDSL, FTTx and fixed wireless access. In practical terms, customers select a target service level and price point, while the operator provisions the connection over the technology available at the relevant address.
- Second, the market is characterised by an active migration path. As fibre and fixed wireless access coverage expands, SLT³⁵ is progressively able to migrate or upgrade existing xDSL customers to alternative access technologies, generally offering comparable or improved service levels. SLT's fibre footprint had expanded to more than 1.3 million FTTH ports³⁶, while the company continued to invest in FTTH capacity and fibre-based retail services. SLT also reported recovering and recycling 11,800 kg of copper during 2024, providing some evidence of the progressive retirement or replacement of copper assets, although no formal nationwide copper switch-off timetable has been identified³⁷. These developments support the view that copper-based broadband represents a transitional access technology within a broader, converging fixed broadband product market, rather than a permanently distinct product category. The prospective reduction and eventual retirement of copper access further reinforces this conclusion, although the pace and geographic scope of that process remain uncertain. Any regulatory framework governing copper retirement should ensure an orderly migration, including adequate advance notice, transparent closure criteria and procedures, continuity of service during the transition, and safeguards against discriminatory or premature withdrawal.
The transition may also be relevant to wholesale access obligations. As the addressable copper footprint and the number of copper-based customers decline, wholesale products such as local-loop unbundling and associated access services may become progressively less technically available, commercially attractive or economically sustainable. These migration issues are important for the design and implementation of remedies, but they do not justify separating the underlying retail broadband market by technology.
- Third, competitive constraints operate across technological boundaries. Both principal operators supply broadband over more than one access technology and commercialise these services as part of a common retail portfolio. A price increase applied only to FTTx packages, for example, may be constrained not only by competing fibre offers but also by adjacent broadband packages delivered over xDSL or fixed wireless access, where these provide a sufficiently comparable combination of speed, quality and price. The competitive interaction therefore takes place across the portfolio rather than exclusively within each technological category.

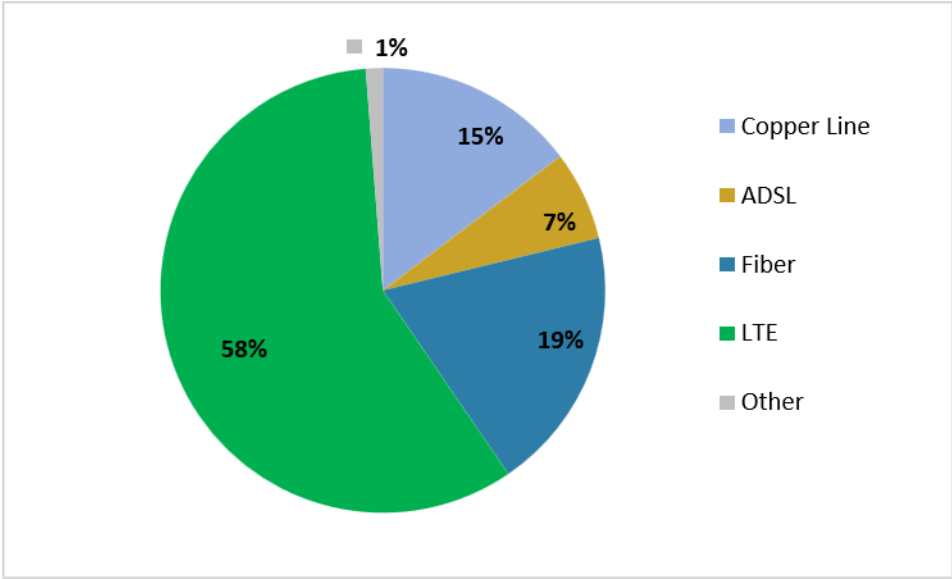
³⁵ DBN does not offer copper-based fixed access lines.

³⁶ TRCSL data

³⁷ [an 2024.pdf](#)

At the same time, this does not imply that all broadband technologies or speed tiers are perfect substitutes for all users. A household or business requiring high-capacity, low-latency connectivity for multiple simultaneous users, video streaming, cloud applications or remote working may not regard an entry-level xDSL service as an adequate substitute for fibre. However, asymmetric substitution between different quality or speed tiers is a normal feature of a differentiated product market. It does not, in itself, establish the existence of separate relevant markets, particularly where customers can migrate progressively between tiers, suppliers manage the services within a common product portfolio and no clear discontinuity in demand or pricing can be identified. Therefore, consistently with international practice, retail fixed broadband is defined as a single, technology-neutral product market encompassing broadband access delivered over xDSL, FTTx and fixed wireless access technologies.

Figure 18. Fixed access technology-based connections, end-2025



With regard to customer segmentation, individual and other mass-market users account for the substantial majority of fixed broadband subscriptions. As of December 2025, they represented approximately 81% of the combined SLT and DBN subscriber base, while corporate subscribers accounted for approximately 19%. The distribution nevertheless differs materially between operators: corporate customers represent approximately XX% of DBN’s subscriber base, compared with less than XX% of SLT’s. Standardised broadband products supplied to SMEs and small businesses generally share the principal characteristics of residential mass-market offers. They are provided under published or standard tariffs, use standardised provisioning and support arrangements, and do not normally include individually negotiated service levels or bespoke contractual conditions. These services are therefore included in the mass-market retail fixed broadband product market.

Following this, TRCSL identifies the following focal product:

Retail fixed broadband comprises always-on internet access services supplied to end-users at a fixed location, over public fixed telecommunications networks (copper/xDSL, fibre/FTTx, or fixed wireless

access), irrespective of the underlying access technology, and regardless of whether such services are supplied on a standalone basis or bundled with other services (e.g. voice, IPTV).

9.2. Demand-side substitutability

Demand-side substitutability assesses the extent to which users would switch from the defined product or service to alternative services in response to a small but significant price increase (SSNIP). In this section, the boundaries of the retail fixed broadband market are determined by identifying services that may constitute effective substitutes. Key potential substitutes:

➤ **Mobile broadband**

Although both fixed and mobile broadband provide access to the public internet, the evidence indicates that they are not sufficiently close substitutes in Sri Lanka to form part of the same relevant product market³⁸.

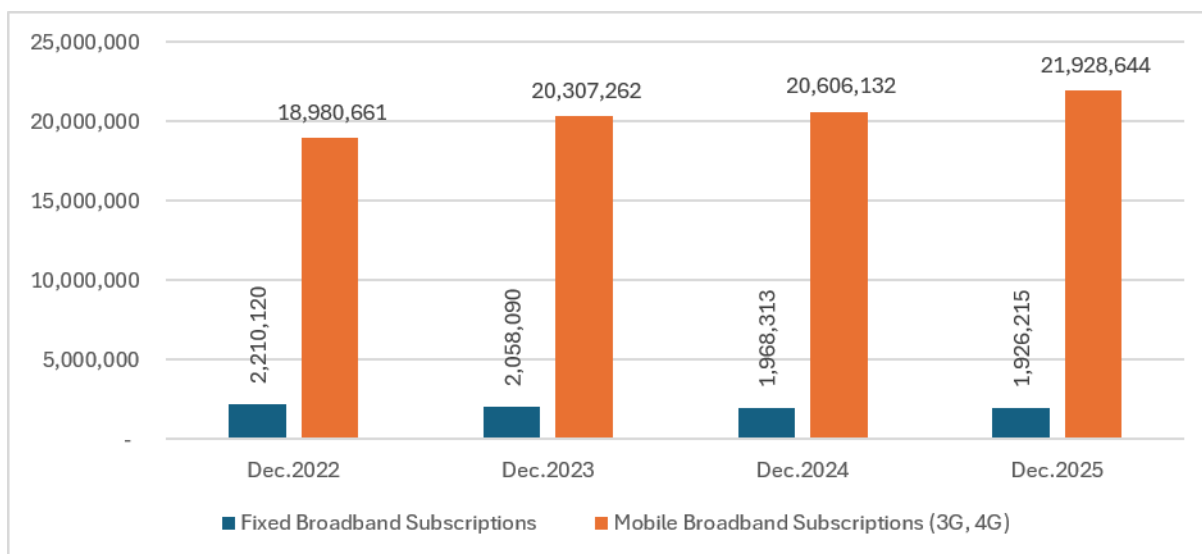
Mobile connectivity is widely available. Mobile SIM penetration reached 135.5%, while mobile broadband subscriptions amounted to approximately 100 per 100 inhabitants as of December 2025. These figures, however, partly reflect multi-SIM ownership and do not demonstrate that mobile broadband is used as the primary household or business connection. By contrast, fixed broadband penetration remained broadly stable³⁹, notwithstanding extensive mobile broadband coverage. The absence of a significant decline in fixed broadband penetration, despite near-universal mobile broadband coverage, suggests that mobile broadband has not displaced fixed access to a significant extent.

Figure 19. Fixed and mobile broadband subscriptions, 2022-2025

³⁸ Stakeholders expressed a similar view. They noted that, while there are compelling arguments for the idea that fixed internet access services are facing competitive pressures from advanced mobile technologies like 5G, there are also significant counterarguments highlighting the strengths and advantages of fixed broadband. The future landscape will likely be shaped by a combination of both technologies, with each serving different consumer needs and preferences. Below are some of the reasons why we feel that fixed broadband will still be the preferred choice for many users.

1. Fixed broadband services are often more reliable and more stable than mobile connections. 2. Mobile data plans often come with data caps and may experience throttling after a certain usage threshold. This can deter users from relying solely on mobile internet for their primary internet access, especially for heavy data users. 3. Many consumers still prefer the experience of fixed broadband for activities including gaming, video conferencing, and working from home, where a stable and high-speed connection is crucial. This preference may limit the extent to which mobile services can replace fixed-line options.

³⁹ Fixed broadband penetration averaged approximately 9% of the population over the review period.



Fixed and mobile broadband also differ materially in their functional characteristics and usage patterns. Fixed broadband services are often purchased to support multi-device household connectivity and high-intensity usage, including video streaming, remote work, online learning and other bandwidth-intensive applications. These services generally offer more stable throughput, lower latency (particularly in the case of fibre-based access), and higher or uncapped data allowances compared to mobile broadband. In addition, fixed residential services are increasingly bundled with television services, which may further reduce incentives to switch.

By contrast, mobile broadband services are delivered over shared spectrum resources and are subject to variable performance depending on location, coverage and network congestion. Mobile broadband offers mobility and immediate access but is more commonly associated with volume-based pricing, volume caps and traffic management practices. These characteristics reduce its suitability as a primary household connectivity solution for high-usage consumers. Although 4G and 5G technologies may provide peak speeds comparable to or exceeding certain legacy xDSL connections, maximum speed capacities and quality consistency remain more favourable in the case of fixed broadband, particularly FTTx (see [Table 10](#)). Mobile broadband access services are therefore only a demand-side substitute for basic fixed broadband access services (e.g. legacy low-speed xDSL). They are not demand-side substitutes at the retail level for fixed broadband services providing higher speeds and capacity (in particular FTTx-based services). Additionally, fixed broadband often requires initial installation/ connection fees, which may create switching constraints⁴⁰. The competitive constraint exerted by mobile broadband is therefore likely to be segment-specific.

⁴⁰ E.g. Connection fees amount to LKR 12,500 for Dialog fibre and LKR 6,990 for FWA. For SLT, connection charges typically range between LKR 12,500 and LKR 20,000, depending on the service. Additional charges may apply for terminal equipment, such as Wi-Fi routers.

Table 10. Maximum commercial retail broadband speeds in Sri Lanka

Technology	Provider	Max Download Speed	Max Upload Speed	Source
ADSL (xDSL)	Mobitel	Up to 16–24 Mbps	Up to 1–3 Mbps	https://www.slt.lk/en/broadband
Fibre (FTTx)	Mobitel DBN	Up to 1,000 Mbps (1 Gbps)	~300–400 Mbps	https://www.slt.lk/en/broadband/packages https://www.dialog.lk/home-broadband/fibre
Fixed Wireless (LTE / 4G)	Mobitel DBN	Up to ~100 Mbps	~10 Mbps	https://www.slt.lk/en/broadband
Satellite (LEO)	Starlink	~250–300+ Mbps	~20–40 Mbps	https://www.starlink.com/lk/residential
Mobile Broadband (4G LTE)	MNO	Up to ~150–300 Mbps (peak)	~20–50 Mbps	Operators in Sri Lanka typically do not disclose explicit numeric maximum speeds per mobile data plan on their public pages, focusing instead on technology capabilities (4G/5G availability, coverage, etc.)
Mobile Broadband (5G)	Dialog Mobitel	Maximum theoretical up to 20 Gbps	Maximum theoretical up to 10 Gbps	Operators in Sri Lanka typically do not disclose explicit numeric maximum speeds per mobile data plan on their public pages, focusing instead on technology capabilities (4G/5G availability, coverage, etc.)

According to data from the Speedtest by Ookla Global Index (

Figure 20), mobile and fixed broadband in Sri Lanka exhibit distinct performance profiles, which further support the conclusion of limited demand-side substitutability. As of January 2026:

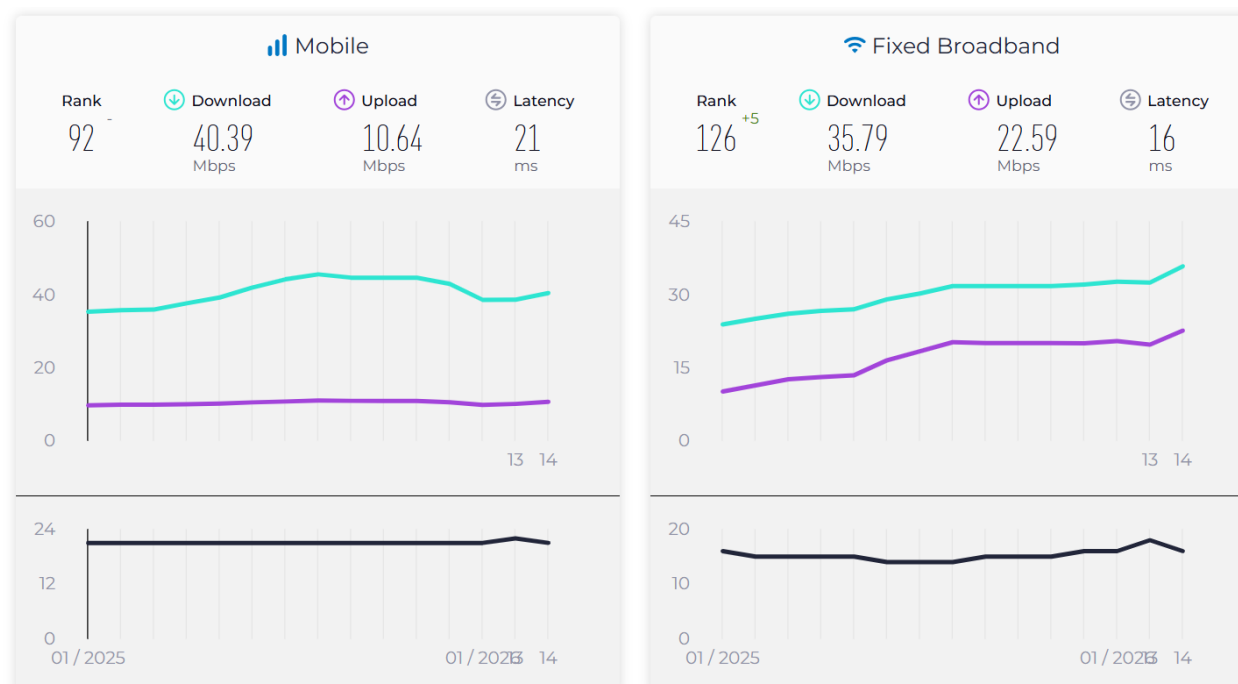
- **Mobile broadband** recorded median download speeds of 40.39 Mbps, upload speeds of 10.64 Mbps, and median latency of 21 ms.
- **Fixed broadband** recorded median download speeds of 35.79 Mbps, upload speeds of 22.59 Mbps, and median latency of 16 ms.

Although mobile broadband currently exhibits slightly higher median download speeds, fixed broadband retains advantages in upload performance, latency, and quality stability. These technical characteristics align with differentiated usage patterns:

- Mobile broadband is well suited for individual, mobility-oriented, and moderate data usage.
- Fixed broadband remains more appropriate for shared household connectivity, high-volume data consumption, and upload-intensive or latency-sensitive applications.

Therefore, the performance data further support the conclusion that fixed and mobile broadband services are not close substitutes from a demand-side perspective. The observed technical parameters reinforce the view that each technology serves partially overlapping but economically distinct user segments within the Sri Lankan market.

Figure 20. Fixed and mobile broadband average speeds, 2025



Source: [Sri Lanka's Mobile and Broadband Internet Speeds - Speedtest Global Index](#)

Retail tariff data supports that fixed and mobile broadband are not close substitutes on price. Comparing TRCSL-approved tariffs across both fixed operators (SLT, DBN) and both major mobile operators (Dialog, Mobitel), fixed broadband is priced at approximately Rs. 17–52 per GB, while mobile data is priced at approximately Rs. 49–116 per GB⁴¹. This confirms the tier-specific finding above: mobile broadband exerts its most meaningful (though still limited) constraint against entry-level fixed products, and very limited against fibre-based services, reinforcing that mobile broadband does not belong in the same relevant product market as retail fixed broadband.

Table 11. Comparison of fixed and mobile broadband prices per GB

Operator	Access technology/ Product	Plan range	Price per GB (range)
SLT (fixed)	FWA/ Anytime Broadband, postpaid	50–400 GB	Rs. 19.95 – 25.80
SLT (fixed)	ADSL/Anytime Broadband, postpaid	22–750 GB	Rs. 35.00–52.27
SLT (fixed)	Fibre/Fibre Anytime Broadband, postpaid	58–900 GB	Rs. 29.17–37.07

⁴¹ Although tax differences shall be taken into account.

DBN (fixed)	FWA/Home Broadband, postpaid	65–175 GB	Rs. 17.09 – 19.85
DBN (Fixed)	Fibre/Anytime quota-based fibre plans	100–300 GB	Rs. 18.07–27.00
Dialog (mobile)	Anytime Data	1.5–50 GB	Rs. 49.00 – 106.00
Mobitel (mobile)	Anytime Quota	0.5–18.5 GB	Rs. 64.81 – 116.00

Sources: TRCSL Approved Tariffs — Sri Lanka Telecom PLC (TRC/SLT/PER/25/05, TRC/SLT/PER/24/01), Dialog Broadband Networks (TRC/DBN/PRO/25/03, TRC/DBN/PER/25/01), Dialog Axiata PLC (TRC/D/PER/25/03), Mobitel (Pvt) Ltd (TRC/M/PRO/24/06).

Note on taxes: The tax treatment differs across tariffs and is not consistent between fixed and mobile services. Some fixed broadband tariffs are filed exclusive of tax (e.g. SLT FWA/Anytime Broadband and DBN Home Broadband), while others are filed inclusive of tax (e.g. DBN Fibre quota-based plans) or do not specify the tax basis (e.g. some SLT ADSL and Fibre Anytime Broadband filings). The mobile tariffs shown are filed inclusive of tax. As a result, the price comparison should be treated as indicative only. A fully consistent comparison would require all tariffs to be converted to the same tax basis.

Substitution of mobile broadband for fixed broadband (both wireline and fixed wireless) is therefore possible only to a limited extent and mainly in specific user segments (e.g. lower-usage or price-sensitive consumers). While mobile hotspot functionality and tethering facilitate sharing (new easily used software and smart phones or mobile dongles make sharing of mobile broadband much easier now), mobile broadband remains primarily a personal service, whereas fixed broadband is typically a household-level service shared across multiple users and devices.

Fixed broadband access cannot constitute a full demand-side substitute for mobile broadband services, as it does not provide mobility. Although fixed broadband may allow limited nomadic use (i.e. access from different fixed locations), during any given session the user remains bound to a specific physical access point and does not achieve the continuous, seamless mobility inherent to mobile network access. Conversely, while mobile broadband can be used at a fixed location, it does not replicate the stability, capacity, upload performance and multi-user functionality typically associated with fixed broadband access, particularly fibre-based services.

Individuals using smartphones can also access local Wi-Fi networks connected to fixed broadband infrastructure. While a price increase in mobile broadband may lead to greater reliance on Wi-Fi where available, Wi-Fi access is geographically confined, performance depends on local congestion, and connectivity is lost once the user leaves the coverage area. Wi-Fi therefore constitutes a complementary means of access rather than a substitute for mobile broadband.

In the event of a SSNIP in fixed broadband services, there would not necessarily be rapid or significant migration to mobile broadband services. Similarly, a SSNIP in mobile broadband services would not necessarily result in substantial switching to fixed broadband, given the different functional characteristics and usage patterns of the two services.

On this basis, fixed and mobile broadband services do not constitute close substitutes from a demand-side perspective in Sri Lanka during the review period. The competitive interaction between the two technologies appears limited and segment-specific, rather than indicative of inclusion within the same relevant product market.

To conclude, while mobile broadband (including 4G/5G deployments) may exert a competitive constraint on fixed broadband for certain user segments (particularly single-user households, prepaid users, or customers in areas without fibre availability), technical, capacity, performance, mobility and usage characteristics continue to differentiate the two services. Accordingly, mobile broadband remains a distinct relevant product market from fixed broadband from a demand-side substitutability perspective.

➤ **Satellite broadband**

Satellite-based networks can also provide voice and data services, either directly by the satellite operators or by service providers utilizing satellite capacity on a wholesale basis.

In Sri Lanka Dialog is authorized to provide Thuraya satellite services and these services were available during the market review period.⁴² However, based on information available to TRCSL, usage of these services is extremely limited, with the cumulative number of subscribers remaining below 100 as of September 2025. While satellite-based networks can technically provide voice and data connectivity, particularly in remote or underserved areas, their use is constrained by high end-user equipment costs (e.g. satellite handsets or terminals), significantly higher service prices, and more complex installation and operational requirements compared to terrestrial fixed broadband services, and regulatory requirements applicable to the importation of certain types of end-user equipment, including security clearance requirements. As a result, satellite services are typically used in niche use cases (e.g. maritime, disaster recovery, or extreme rural coverage) rather than as a mass-market alternative to fixed broadband access. Consequently, even a small but significant non-transitory increase in the price of fixed broadband services would be unlikely to induce consumers to switch to satellite-based solutions.

Starlink commenced commercial LEO satellite broadband operations in Sri Lanka in July 2025, reaching XX subscribers by the end of 2025 — a marginal share of the fixed broadband base. Satellite broadband requires dedicated equipment, involves materially higher upfront and recurring costs, and is currently positioned as a solution for underserved or hard-to-reach locations rather than a mass-market alternative. A SSNIP on mainstream urban or suburban fixed broadband would be unlikely to induce material switching to satellite given the cost and equipment differential, although satellite may exert some constraint in areas without terrestrial fixed access.

Conclusion: satellite broadband is an emerging but currently marginal constraint, not a close substitute, and does not form part of the same relevant product market.

➤ **Leased lines and dedicated corporate connectivity**

Bespoke, individually negotiated leased-line and dedicated access products — typically used by large enterprises with specific SLA requirements — are priced and provisioned on a fundamentally different

⁴² - [Thuraya Mobile Satellite Communications Company](#)

basis from standardised mass-market retail fixed broadband and are not considered part of the same relevant product market.

Conclusion on demand-side substitutability. Mobile broadband and satellite broadband exert tier-asymmetric, competitive constraints on retail fixed broadband. Fixed broadband delivered over different access technologies (xDSL, FTTx, FWA) is sufficiently substitutable at the retail level and forms a single, technology-neutral market. Accordingly, retail fixed broadband constitutes a distinct relevant product market for the purposes of competition analysis.

9.3. Supply-side substitutability

Supply-side substitutability assesses whether providers not currently offering retail fixed broadband services could begin supplying them quickly and at low cost, without material additional investment or regulatory constraint. Key potential substitutes:

- **Mobile network operators or MVNOs (Mobile Virtual Network Operator).** Mobile network operators and MVNOs⁴³ could potentially seek to provide fixed broadband services, but would face material regulatory, financial, and operational barriers to entry that preclude rapid supply-side substitution.

Currently, both main fixed broadband providers in Sri Lanka — SLT and DBN — are part of corporate groups that also include mobile operators, while remaining legally and operationally separate entities. This reflects the regulatory and operational requirements that necessitate distinct business units for the provision of fixed and mobile services. This structural separation demonstrates that fixed broadband provision is not a rapid or costless extension of mobile operations. Hutch, the third mobile network operator, does not currently offer a retail fixed broadband service.

Entry by a mobile-only operator or MVNO would require either: (i) deployment of its own last-mile fixed access infrastructure, including fibre or fixed wireless access facilities, involving substantial sunk investment and extended rollout periods; or (ii) wholesale access to an existing fixed network. As such access is not currently mandated, the latter option would depend on commercially negotiated terms and the availability of suitable wholesale products.

The entrant would also need to obtain the relevant telecommunications licence or licences to provide fixed broadband services and, where applicable, to operate the associated network infrastructure⁴⁴. Licensing procedures, compliance obligations and any required spectrum assignments would create additional cost and timing constraints. Where fixed wireless access is used, entry would further depend on access to suitable spectrum with adequate capacity and propagation characteristics, together with the necessary spectrum authorisations.

Accordingly, mobile operators and MVNOs do not constitute an effective source of supply-side substitution within the relevant timeframe.

⁴³ At present, no MVNOs are active in Sri Lanka.

⁴⁴ According to the current licencing regime, licence type and associated fees would depend on selected business model. However, Infrastructure rights are usually more limited than a full fixed telecom licence.

- **Data communications service providers.** Lanka Communication Services is licensed as a data communications operator and is authorised to construct and operate radio transmission facilities. However, it is not permitted to deploy wireline, cable or fibre links for subscriber access and must obtain such connectivity from appropriately licensed network operators. Its ability to provide fixed broadband is therefore confined principally to radio-based access and remains dependent on wholesale inputs from SLT or DBN for wider network connectivity.⁴⁵ In addition, it does not possess the nationwide last-mile infrastructure, installation capacity, maintenance organisation, customer-premises equipment logistics, billing systems or customer-support capabilities required to serve the mass market. Given its limited corporate customer base and absence of a significant residential presence, it does not constitute an effective source of supply-side substitution.
- **Cable TV operators.** In early 2026, one licensed cable TV operator commenced offering fixed broadband services under its existing licence conditions. However, cable TV operators do not have the right to establish their own telecommunication links other than those connecting to other licensed networks, and must obtain these from licensed operators, limiting the extent to which they can compete on an infrastructure-independent basis.⁴⁶ This represents an emerging but currently marginal and infrastructure-dependent entry route.
- **Satellite broadband providers.** As with the demand-side analysis, satellite operators such as Starlink could, in principle, expand supply nationally without last-mile civil works, and have already done so to a limited extent (XX subscribers by end-2025). However, the cost structure (dedicated user equipment, subscription pricing) and current licensing treatment (Section 17B service provider licence, distinct from the system licences held by SLT and DBN) mean satellite entry, while technically faster than terrestrial build-out, remains limited in commercial scale at present.
- **OTT providers.** From a supply-side substitutability perspective, retail fixed broadband services and OTT-based services are fundamentally distinct and not substitutable. Providers of retail fixed broadband services are subject to sector-specific regulatory obligations, including licensing requirements, quality-of-service standards, compliance with spectrum management (where applicable) and consumer protection rules. These requirements entail substantial sunk investment and regulatory compliance costs and cannot be met rapidly or at low cost by providers not already active in the market. By contrast, OTT providers operate over the public internet and rely on broadband connectivity—fixed or mobile—as an input rather than supplying access services themselves. OTT services, in their standard form, are application-based and delivered over third-party connectivity. As a result, the technical architecture, regulatory status, and cost structure of OTT services differ fundamentally from those of retail fixed broadband services. In Sri Lanka, as in many other jurisdictions, OTT providers do not fall within the scope of traditional telecommunications sector regulation applicable to network operators. In this context, OTT services do not constitute a source of supply-side substitutability for retail fixed broadband services.

⁴⁵ Operator shall not establish subscriber access network using wire line, cable, or optical fiber connectivity outside plant network. Subscriber connectivity links must be obtained from operators licensed for that purpose.

⁴⁶ Cable TV operators may provide broadband/internet services through their cable distribution network, subject to licence scope.

Conclusion on supply-side substitutability. Supply-side substitution into retail fixed broadband is constrained by the high sunk cost of last-mile access infrastructure. Mobile operators not already active in fixed access, internet service provider licensees dependent on wholesale inputs, cable TV operators, and satellite providers do not currently constitute effective or timely supply-side substitutes at a mass-market scale. Entry by any of these routes would not be sufficiently rapid, likely or cost-effective in response to a price increase by existing fixed broadband providers.

9.4. Geographical scope of the market

In line with Competition Rules, paragraph 7.6.6.1, the geographic scope of a relevant market is generally presumed to be national, unless a specific assessment demonstrates materially distinct competitive conditions at local or regional level. No such conditions are present in the retail fixed broadband market in Sri Lanka.

Licensing conditions, tariff oversight and consumer-protection requirements apply uniformly throughout the country. SLT and DBN also market their principal fixed broadband packages on a nationwide basis, without geographic differentiation in tariffs or standard product conditions. While the availability of particular access technologies varies by location (for example, wireline coverage is generally more extensive in urban areas, while fixed wireless access plays a greater role in less densely populated areas) this reflects differences in infrastructure deployment rather than distinct regional pricing structures or competitive conditions.

The current variation in technology availability is therefore insufficient to justify the definition of separate sub-national markets. TRCSL may, however, reconsider the geographic scope in a future review if local competitive conditions become materially differentiated, including as a result of expanded broadband provision by cable television operators or other regional or local providers.

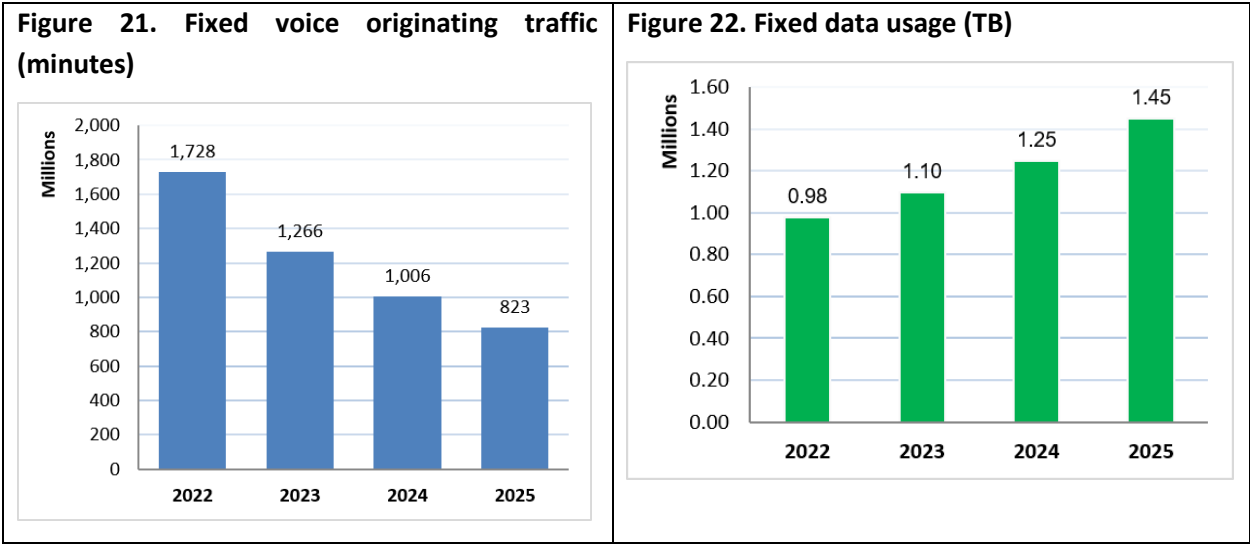
Accordingly, and consistently with the Competition Rules, 2024, the **relevant geographic market for retail fixed broadband services is national in scope** and covers the entire territory of Sri Lanka.

X. Fixed broadband market dynamics in Sri Lanka

Fixed broadband remains more resilient than fixed voice. As set out in the previous sections, the fixed access market is not homogeneous: while the voice component is in structural decline, the data component tells a materially different story. The data-only segment was the most resilient category in the fixed access market throughout the review period. Data-only subscriptions rose from 1.05 million in 2022 to 1.1 million in 2024, before falling back slightly to 1.09 million by Q4 2025. This entire segment is supplied by DBN; SLT reports no standalone data-only connections over the review period, with its reported broadband subscriptions classified as bundled voice-and-data connections.

The broader broadband-relevant market, comprising data-only and bundled subscriptions together, contracted from approximately 2.17 million in 2022 to approximately 1.93 million by Q4 2025. This decline was driven primarily by a reduction in SLT's bundled subscriptions, while the overall fixed broadband market remained comparatively more stable than the fixed voice market.

The traffic data is consistent with this interpretation. Fixed voice originating traffic declined from approximately 1.73 billion minutes in 2022 to approximately 823 million minutes in 2025 — a fall of approximately 52% over the review period. Over the same period, fixed data usage increased from approximately 0.98 million TB in 2022 to approximately 1.45 million TB in 2025, an increase of approximately 48%.



This divergence between fixed voice and fixed data is central to the forward-looking assessment. The fixed access market is not declining uniformly: the voice component is contracting, while the broadband component remains relevant, resilient and increasingly usage-intensive. This indicates that fixed access should not be treated as a single homogeneous market for regulatory purposes. The competitive dynamics and consumer-protection concerns associated with fixed broadband differ materially from those associated with legacy fixed voice and should therefore be assessed separately.

Market shares and dynamics. SLT and DBN began the review period with nearly equal subscriber shares, at 49.9% and 49.8%, respectively, in 2022. DBN subsequently became the largest operator, reaching 58.3% in 2025, while SLT's share declined to 41.7%. Lanka Bell accounted for approximately 0.3% of subscriptions in both 2022 and 2023 and ceased operations in early 2024. Unlike the fixed voice market, SLT and DBN began the review period at near-parity, with DBN's lead emerging and widening thereafter.

Figure 23. Fixed broadband market shares by subscribers, 2022-2025

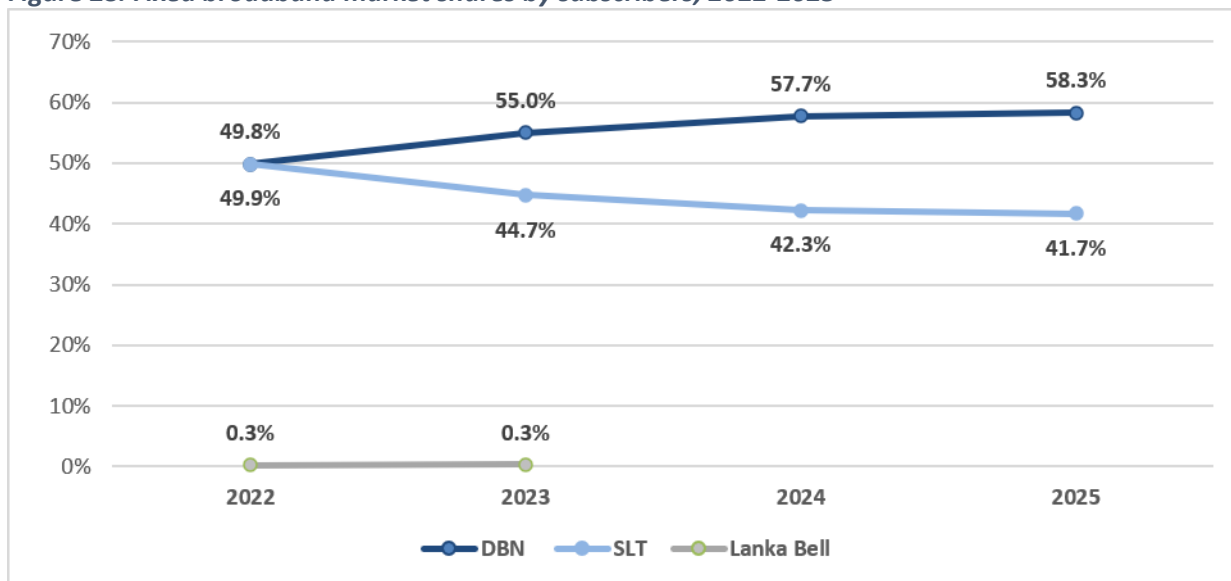
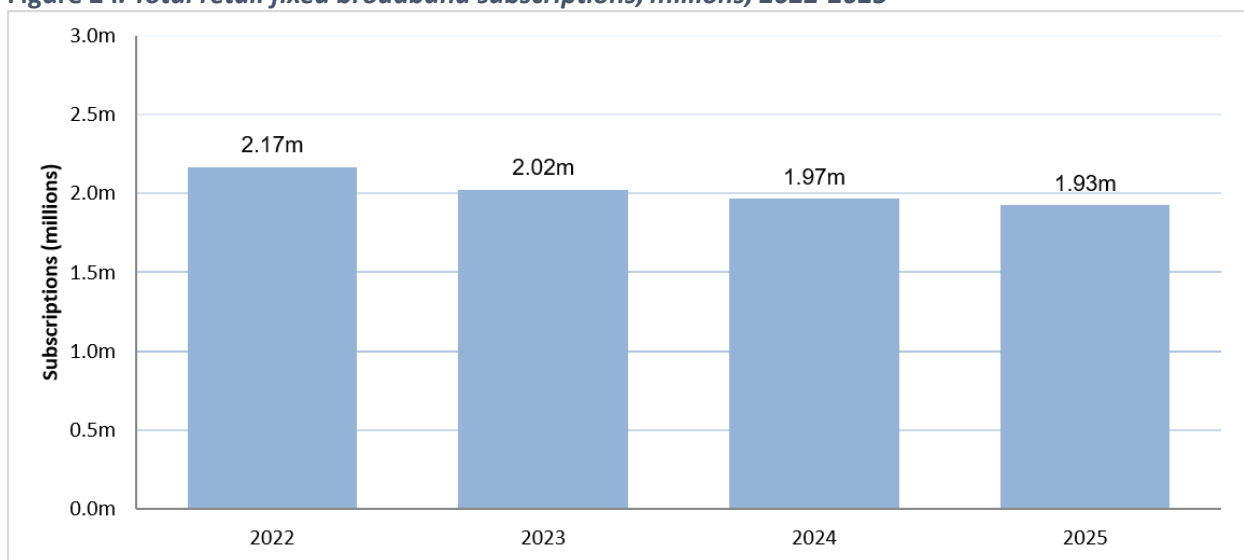


Figure 24. Total retail fixed broadband subscriptions, millions, 2022-2025



Despite this rebalancing, the market remained highly concentrated for most of the review period. As with fixed voice, it is important to note that the HHI reflects the distribution of market shares among the remaining/existing operators and serves as a structural screening indicator of market concentration; it does not, in itself, provide a direct measure of an individual operator's ability to exercise or sustain market power.

Table 12. Retail fixed broadband market shares and concentration (HHI), end-December 2022–2025

Operator (share %)	2022	2023	2024	2025
DBN (Dialog)	49.8%	55.0%	57.7%	58.3%
SLT	49.9%	44.7%	42.3%	41.7%

Operator (share %)	2022	2023	2024	2025
Lanka Bell	0.3%	0.3%	–	–
Total (subscriptions)	2,210,120	2,058,090	1,968,313	1,926,215
HHI	4,970	5,021	5,119	5,139

Unlike the retail fixed voice market, in which SLT is the clear market leader, DBN became the larger provider of retail fixed broadband by subscriber numbers from 2023 onward. This ranking is reversed when the market is assessed by revenue, as discussed below. The divergence between subscriber share and revenue share is itself an important structural feature of the market, indicating materially different customer profiles, service mixes and revenue generation across the two operators.

Revenue trends confirm the growing importance of fixed data services. Combined voice revenue for SLT and DBN declined from Rs. 17,891 million in 2022 to Rs. 14,110 million in 2025, representing a reduction of approximately 21%. Over the same period, combined data revenue increased from Rs. 39,114 million to Rs. 46,318 million, equivalent to growth of approximately 18%. This reinforces the pattern observed in the subscriber data: fixed data is not only the larger revenue segment, but also the only one showing sustained growth, while fixed voice is declining in both absolute terms and as a share of total fixed-sector revenue.

Table 13. Fixed voice and data revenue, 2022-2025

Metric	2022	2023	2024	2025	Change 2022–25
Voice revenue (Rs mn)	17,891	16,025	15,235	14,110	–21.1%
Data revenue (Rs mn)	39,114	42,344	42,739	46,318	+18.4%

Revenue trends reveal materially different commercial positions for SLT and DBN. At SLT, voice and data moved in opposite directions over the review period. Voice revenue declined by approximately 25%, while data revenue increased by approximately 25%. Consequently, data’s share of SLT’s total revenue rose from 39.1% to 45.0%, while voice’s share fell from 24.6% to 17.0%. SLT’s data-to-voice revenue ratio therefore increased from 1.6 to 2.6.

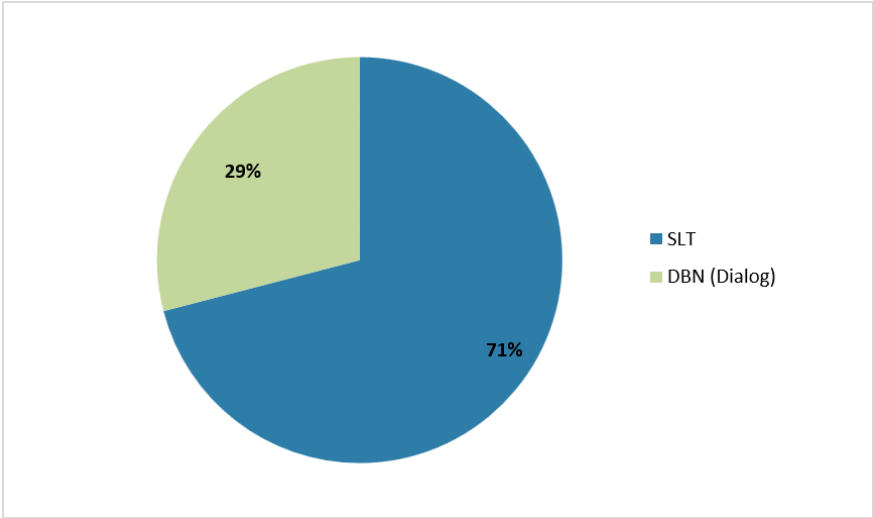
At DBN, data remained the dominant revenue source throughout the period. Data revenue increased more modestly, from Rs. XX million to Rs. XX million, while voice revenue rose from Rs. XX million to Rs. XX million, albeit from a low base. Voice therefore remained a relatively minor component of DBN’s overall revenue.

Table 14. Fixed voice and data revenue as a share of each operator’s total revenue, 2022-2025

Redacted for Confidentiality	
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SLT retained a clear lead in fixed data revenue in both 2024 and 2025⁴⁷. Its share of the combined fixed data revenue pool stood at 70.2% in 2024 and increased slightly to 71.0% in 2025, while DBN’s share declined from 29.8% to 29.0% over the same period.

Figure 25. Fixed data revenue share by operator, 2025



Although DBN serves the larger fixed broadband subscriber base, SLT generates substantially more data revenue and strengthened its revenue lead over the review period. Between 2022 and 2025, SLT’s data revenue increased by 24.6%, compared with 5.7% for DBN.

Relationship with the subscriber-side shares. Combined with the contraction in SLT’s broadband subscriber base, this points to a significant increase in revenue per subscriber. SLT's estimated monthly data ARPU rose by approximately 68% over the review period, while DBN's remained essentially flat(2%). SLT's data ARPU also widened relative to DBN's — from roughly double in 2022 to more than three times DBN's level by 2025.

⁴⁷ Market revenues for 2022 and 2023 could not be calculated on a consistent basis because Lanka Bell’s revenue data were not available in a directly comparable breakdown.

The divergence likely reflects differences in technology, customer mix and service positioning. SLT's fibre and ADSL customer base appears to be concentrated in higher-value packages, while DBN's fixed wireless access base is more strongly oriented towards lower-priced mass-market services.

Subscriber share alone would therefore understate SLT's commercial position. Revenue share and ARPU provide a more complete indication of market strength and suggest that SLT, despite having fewer subscribers, holds the stronger commercial position in the retail fixed broadband market.

A structurally different entry case from fixed voice. The entry conditions in retail fixed broadband differ materially from those identified in retail fixed voice. Unlike fixed voice, the fixed broadband revenue pool expanded over the review period. Continued growth in data usage and demand for higher-capacity connectivity therefore make fixed broadband commercially more attractive to prospective entrants than a structurally declining voice market.

Significant barriers nevertheless remain. Entry based on terrestrial infrastructure requires substantial sunk investment in access networks, transmission capacity, customer installation, operational systems and service support. These barriers are comparable to those identified in the fixed voice analysis and mean that large-scale infrastructure-based entry cannot generally occur rapidly or at low cost.

Despite these constraints, the fixed broadband market attracted new forms of participation during the review period, in contrast to fixed voice, where no new entrant emerged and Lanka Bell exited. Two developments are particularly relevant:

- First, a cable television operator, City cable Links, has begun offering fibre-based broadband services by extending infrastructure originally deployed for television distribution. This represents emerging entry through an alternative access platform and indicates that the fixed broadband market remains capable of attracting infrastructure investment. However, the current scale, geographic coverage and independence of such providers from existing wholesale inputs remain limited and should be monitored.
- Second, Starlink commenced commercial satellite broadband services in 2025. Satellite broadband can extend coverage without terrestrial last-mile deployment and may provide an increasingly relevant alternative in areas where fibre, copper or fixed wireless access is unavailable or of insufficient quality. Its current subscriber base remains small, and its competitive impact is constrained by equipment and subscription costs, but its significance may increase over the forward-looking review period.

By the end of 2025, the retail broadband landscape therefore included SLT, DBN, Starlink and emerging fibre-based offers from the cable television operator, City Cable Links. This represents a more diverse, multi-technology supply structure than the market observed at the beginning of the review period. It does not remove the substantial barriers to large-scale entry, but it demonstrates that fixed broadband presents a materially more favourable and dynamic entry environment than retail fixed voice.

XI. Three Criteria Test

Criterion 1. The presence of substantial and persistent barriers to entry

The first criterion of the test requires an assessment of whether significant structural, legal, or regulatory barriers prevent effective entry into the retail fixed broadband market.

Entry based on an independent terrestrial access network requires substantial sunk investment in fibre, fixed wireless access infrastructure, transmission and backhaul capacity, customer-premises equipment, installation and maintenance capabilities, billing systems and customer support. Terrestrial deployment may also require access to ducts, poles, towers, buildings and rights of way, together with the relevant planning and regulatory approvals. The scale of these barriers is illustrated by annual fixed-sector investment of approximately LKR 41.9–67.3 billion during 2022–2024.

A prospective entrant would also need to obtain the licence or licences applicable to its chosen business model. Where fixed wireless access is used, entry would additionally depend on access to suitable spectrum and the necessary frequency assignments and authorisations. Entry through wholesale access to an existing fixed network would avoid some infrastructure costs, but no comprehensive mandated wholesale access framework is currently available, and access would therefore depend largely on commercially negotiated terms.

Adjacent providers face similar constraints. A mobile-only operator or MVNO could not enter rapidly without deploying fixed or fixed wireless infrastructure, obtaining wholesale access, and securing the necessary licences and/or spectrum. Data communications and cable television operators remain dependent to varying degrees on transmission or other wholesale inputs supplied by existing licensed networks. Satellite broadband can enter without terrestrial last-mile construction, but equipment costs, pricing and current commercial scale currently limit its ability to replicate mass-market terrestrial broadband supply.

These barriers remain significant and are unlikely to disappear during the review period. However, unlike in fixed voice, they are not absolute. City Cable Links has obtained a TRCSL-approved FTTH tariff, ASK Cable has deployed fibre infrastructure⁴⁸, and Starlink commenced commercial operations in 2025. This represents a materially more dynamic entry pattern than in fixed voice, where Lanka Bell exited without replacement. The fixed data revenue pool also expanded over the review period, making the market more capable of supporting sunk investment than a declining voice market.

Accordingly, barriers to entry remain substantial, but the evidence shows that entry is possible, particularly through alternative infrastructure and satellite-based models. **Criterion 1 is therefore satisfied**, although less decisively than in the retail fixed voice market.

⁴⁸ ASK Cable has deployed fibre infrastructure, but has not yet translated this into a filed retail broadband product.
[About Us – ASK Cable](#)

Criterion 2. The market is not tending towards effective competition

The retail fixed broadband market remains concentrated, with SLT and DBN accounting for the substantial majority of subscriptions and revenue. Their competitive positions are, however, materially different and partially offsetting. DBN serves the larger subscriber base, while SLT generates substantially higher revenue and ARPU. Neither operator therefore holds an unambiguous lead across all relevant indicators.

The market also displays a number of forward-looking characteristics consistent with an emerging tendency towards more effective competition. Fixed data revenue increased over the review period, supporting continued investment and product development. SLT and DBN compete through differentiated technologies, coverage, speeds and customer positioning, while DBN's expansion through FWA and fibre has provided an established infrastructure-based challenge to SLT.

Actual entry has also occurred. A Cable television operator has begun offering fibre broadband, and Starlink entered commercially in 2025. Although these providers remain limited in scale, their presence broadens the range of available access technologies and is likely to strengthen competitive pressure over the review period. Mobile broadband provides an additional, although segment-specific, external constraint, particularly on lower-usage and entry-level fixed broadband services.

These developments distinguish the market from one characterised by stable dominance and an absence of credible competitive challenge. SLT retains significant advantages in revenue, ARPU, network scale and customer mix, but DBN remains a substantial competitor, and alternative fibre, wireless and satellite providers are beginning to expand the competitive set. The evidence therefore points towards increasing infrastructure and service-based competition rather than the persistence of an uncontested market position.

This conclusion is consistent with international regulatory practice, under which retail broadband markets are generally not subject to broad ex ante regulation where downstream competition is supported by multiple providers and alternative access technologies. Any persistent competition concerns are more appropriately addressed at the upstream wholesale level, where access bottlenecks arise, together with targeted consumer-protection safeguards. TRCSL therefore considers that, once such wholesale bottlenecks and consumer-protection concerns are adequately addressed, broad ex ante retail tariff regulation would not be proportionate.

On balance, although the market is not yet fully competitive and emerging entrants remain small, the available evidence indicates a prospective tendency towards more effective competition. **Criterion 2 is therefore not met.**

Although Criterion 2 is assessed as not met, this conclusion should be interpreted with caution, as market concentration remains high. Accordingly, any forbearance from existing ex ante retail regulation should be considered only once the relevant upstream wholesale markets have been properly defined and assessed, and any necessary wholesale remedies have been put in place.

Criterion 3. Competition law alone is insufficient to address the market failure

The third criterion examines whether, in the absence of ex ante regulation, competition law, together with general consumer-protection rules and other instruments of general application, would be sufficient to address any identified market failure.

As established above, the retail fixed broadband market does not satisfy Criterion 2. Although concentration remains significant, the available evidence indicates a prospective tendency towards more effective competition, supported by continued investment, differentiated competition between SLT and DBN, entry by alternative providers, and external constraints from mobile and satellite broadband. This competitive process could be further strengthened through the availability of appropriate wholesale access products, such as local-loop unbundling or virtual unbundled local access. TRCSL will therefore define the relevant upstream wholesale markets and conduct the corresponding SMP assessments to determine whether and what targeted wholesale remedies are required.

Because the three criteria are cumulative, the failure to satisfy Criterion 2 is sufficient to conclude that the retail fixed broadband market is not susceptible to broad ex ante regulation. A separate determination under Criterion 3 is therefore unnecessary and would not alter the overall conclusion.

Any remaining concerns relate primarily to wholesale access bottlenecks and consumer-protection issues, including transparency, service quality, switching, contract terms and affordability. These matters are more appropriately addressed through targeted wholesale remedies, where justified, together with general competition law and sector-specific consumer-protection safeguards, rather than through market-wide retail tariff regulation.

Accordingly, Criterion 3 is not assessed further.

Conclusion on the three-criteria test. Taken together, the evidence indicates that the retail fixed broadband market does not satisfy the cumulative three-criteria test. Criterion 1 is met, although less decisively than in the retail fixed voice market. Entry continues to require substantial investment, regulatory approvals, access to suitable infrastructure and, where relevant, spectrum. However, recent entry by a fibre-based cable operator and Starlink demonstrates that these barriers are not absolute.

Criterion 2 is not met. Although the market remains concentrated, the available evidence points to a prospective tendency towards more effective competition. SLT and DBN retain materially different and partially offsetting competitive strengths, while new fibre, wireless and satellite providers are expanding the competitive set. Mobile broadband also exerts a limited but relevant external constraint on lower-tier fixed broadband services.

This conclusion should nevertheless be interpreted with caution. Any decision to forbear from existing ex ante retail regulation should therefore be taken only after the relevant upstream wholesale markets have been properly defined and assessed and, where necessary, appropriate wholesale remedies have been imposed.

Because the three criteria are cumulative, the failure of Criterion 2 is sufficient to conclude that broad ex ante retail regulation is not warranted. Criterion 3 therefore does not require a separate determination.

Remaining concerns are more appropriately addressed through targeted wholesale remedies, general competition law and sector-specific consumer-protection safeguards.

Accordingly, TRCSL should consider moving away from broad retail tariff regulation only once the necessary wholesale framework is in place. Any forbearance decision should be proportionate, conditional where appropriate, and supported by continued monitoring of market concentration, entry, pricing, service quality and consumer outcomes.

Consistency with international regulatory practice. International regulatory practice generally distinguishes between competition concerns arising at the retail broadband level and bottlenecks located in upstream access networks. Retail broadband markets are not ordinarily subject to broad ex ante tariff regulation where consumers can choose between several retail providers and technologies. Where an operator retains control over infrastructure that competitors require to serve end users, regulation is instead focused on wholesale access, non-discrimination, transparency and pricing obligations.

This approach is reflected in the European Commission's 2020 Recommendation on Relevant Markets⁴⁹. Whereas the original 2003 Recommendation identified eighteen markets potentially susceptible to ex ante regulation, the 2020 Recommendation retains only two: wholesale local access provided at a fixed location and wholesale dedicated capacity. Retail fixed broadband is not included.

The relevant international lesson is not that retail broadband concentration must disappear before retail regulation can be withdrawn. Rather, the question is whether downstream competition can develop effectively once any enduring infrastructure bottlenecks are addressed at the appropriate upstream level. BEREC's implementation monitoring records examples in which regulation was withdrawn, narrowed or differentiated by customer segment or geography as competitive conditions evolved, including in Romania, Malta, the Netherlands and Austria.⁵⁰

Malaysia's experience shows that a wholesale-only intervention (regulated access pricing on a defined set of facilities, applied to the dominant fixed operator's fibre network, without any corresponding retail tariff control) can be implemented in a market with a similarly dominant former state incumbent and a still-developing competitive market.⁵¹ The Malaysian Communications and Multimedia Commission regulates access prices for specified wholesale facilities and services through the Mandatory Standard on Access Pricing. The revised standard, effective from March 2023, substantially reduced several regulated wholesale access prices, with the stated objective of lowering access costs and enabling retail providers to offer more affordable broadband services. Malaysia therefore reinforces the conclusion that a transition from broad retail tariff regulation towards targeted wholesale access regulation would not be limited to European regulatory practice. Effective implementation requires monitoring of reference offers, access

⁴⁹ [EUR-Lex - 32020H2245 - EN - EUR-Lex](#)

⁵⁰ [J BEREC](#)

⁵¹ [MCMC SAYS TO EXPECT LOWER BROADBAND PRICES AFTER SEPTEMBER; PAKEJ PERPADUAN AND PPR/PA @MYKABEL PACKAGES AVAILABLE NOW, Commission-Determination-on-the-Mandatory-Standard-on-Access-Pricing-16-February-2023.pdf](#)

terms, non-discrimination, provisioning and the extent to which wholesale cost reductions are reflected in retail prices and service quality.

This is directly relevant to Sri Lanka, where SLT retains a strong revenue and ARPU position, but faces an established competitor. Accordingly, any transition away from broad retail tariff regulation should be coordinated with the definition and assessment of the relevant wholesale markets. Where SMP or an access bottleneck is identified upstream, proportionate remedies - potentially including local-loop unbundling, virtual unbundled local access, access to passive infrastructure, non-discrimination and transparency obligations - should be considered to support sustainable retail competition.

Regulatory resource allocation and future review. Broad retail tariff filing, approval and compliance monitoring require continuing use of TRCSL's regulatory and enforcement resources. Where the main impediments to retail competition arise from access to upstream infrastructure, the incremental benefit of market-wide retail tariff control may be limited. Regulatory resources may be used more effectively to assess and supervise wholesale access conditions, monitor emerging providers and enforce consumer-protection requirements.

The present conclusion should also inform the treatment of retail fixed broadband in future review cycles. Once the relevant wholesale markets have been assessed and any necessary remedies implemented, TRCSL may consider whether the retail market should remain subject to routine ex ante review. This would not prevent a new assessment where market conditions change materially, including where concentration increases, entry stalls, wholesale remedies prove ineffective or evidence emerges of exclusionary or exploitative conduct.

Given the continuing concentration of the market and SLT's strong revenue position, however, the retail market should remain subject to monitoring during the transition. Any forbearance decision should therefore be conditional on the effectiveness of the wholesale framework and supported by periodic monitoring of market shares, tariffs, ARPU, switching, service quality, coverage and entry.

Proportionality and targeted consumer protection. The withdrawal of broad retail tariff regulation would not remove the need for consumer protection. Fixed broadband has become an essential service for households and businesses, and consumers may remain exposed to concerns relating to affordability, advertised and actual speeds, service reliability, installation and termination charges, contract terms, switching barriers and service withdrawal.

These concerns do not necessarily justify ex ante approval of all retail tariffs. They can be addressed more directly through targeted safeguards, including clear tariff and contract disclosure, minimum service-information requirements, rules governing advertised speeds, advance notice of price or contractual changes, accessible switching and complaint procedures, protection against unreasonable disconnection, and safeguards for low-income or otherwise vulnerable users. Universal-service or affordability measures may also be considered where a clearly defined access gap is identified.

This approach would preserve protection where it is needed while avoiding the compliance costs and potential investment distortions associated with market-wide tariff control. It would also allow operators greater flexibility to develop new packages, migrate customers to fibre and respond to evolving

competition, while retaining TRCSL's ability to intervene where consumer harm or anti-competitive conduct is identified.

Overall regulatory implication. The failure of Criterion 2 does not establish that all competition concerns have disappeared. It indicates that broad retail ex ante regulation is unlikely to be the most proportionate instrument for addressing them. The appropriate regulatory sequence is therefore to assess the relevant upstream wholesale markets, impose targeted remedies where SMP or access bottlenecks are established, strengthen applicable consumer-protection safeguards and only then consider forbearance from existing retail tariff approval obligations.

Any such forbearance should be framed as a conditional and reviewable decision. It should take effect only once TRCSL is satisfied that wholesale access arrangements and consumer safeguards are capable of supporting the prospective competitive process identified in this assessment.

XII. Proposed regulatory approach for retail fixed broadband services

The assessment indicates that the retail fixed broadband market remains concentrated but is exhibiting a prospective tendency towards more effective competition. Competition between SLT and DBN is supported by differentiated network technologies, investment in fibre and fixed wireless access, and emerging entry from cable and satellite providers. Mobile broadband also exerts a limited and segment-specific external constraint, particularly on lower-tier fixed broadband services.

In these circumstances, the continued application of broad ex ante retail tariff approval obligations may not be proportionate, provided that any enduring bottlenecks in the relevant upstream wholesale markets are properly identified and addressed. The appropriate regulatory approach should therefore place primary reliance on targeted wholesale access remedies, where justified by an SMP assessment, together with proportionate retail consumer-protection safeguards.

At the wholesale level, TRCSL should define and assess the relevant upstream fixed access markets to determine whether any operator holds SMP and whether access bottlenecks remain capable of restricting downstream competition. Where such concerns are established, proportionate remedies may include local-loop unbundling, virtual unbundled local access, access to passive infrastructure, backhaul or associated facilities, transparency, non-discrimination, accounting separation, cost-oriented pricing and margin-squeeze safeguards.

Any transition away from broad retail tariff approval should be coordinated with this wholesale assessment. Subject to the statutory conditions under Section 6A(4) of the Sri Lanka Telecommunications Act, TRCSL may consider forbearing from the continued application of broad retail fixed broadband tariff approval obligations once it is satisfied that appropriate wholesale remedies and consumer-protection safeguards are in place and capable of supporting the competitive process.

Any forbearance decision should be conditional, reviewable and supported by continued market monitoring. Retail safeguards should focus on transparency, service quality, switching, affordability, fair contractual treatment and continuity during technological migration, rather than on routine ex ante approval of every retail tariff.

Safeguard	Purpose	Possible obligation	Possible regulatory instrument
Wholesale access product	Ensure competing retail providers/operators (including new entrants) can obtain access to bottleneck infrastructure on fair terms pending full wholesale market assessment.	Operators found to hold SMP at the wholesale level shall offer local-loop unbundling, virtual unbundled local access, or equivalent access products on transparent, non-discriminatory and cost-oriented terms.	Wholesale market assessment; SMP determination; relevant remedies
Advertised vs. actual speed and quota transparency	Ensure users can compare offers meaningfully across operators and technologies (FTTH, FWA, satellite).	Operators shall publish minimum, typical and maximum speeds, data quotas/throttling conditions, and any material network management practices, in a standardised, comparable format.	Tariff/service transparency guidelines; rules on consumer protection code of practice
Quality of service monitoring	Prevent misleading claims and enable informed consumer choice.	Operators shall report service quality metrics (e.g. actual vs. advertised speed, throttling incidence, fault/complaint rates) by product and technology.	Regulatory reporting rules; licence condition
Switching and contract-term safeguards	Support effective competition by lowering barriers to switching between operators as new entrants (cable, satellite) expand.	Operators shall provide clear information on contract duration, early-termination charges and switching processes, and shall not impose non-transparent or excessive exit barriers.	Rules on Consumer protection code of practice; licence condition
Entry-level affordability monitoring	Ensure the benefits of competition at the budget end of the market are being realised.	TRCSL shall periodically monitor entry-level tariff levels and coverage across operators and technologies, including cable operators and satellite providers once quantifiable.	Regulatory reporting rules; market monitoring
Targeted backstop against harmful tariff changes	Allow TRCSL to intervene in exceptional cases without maintaining general ex ante retail tariff approval.	TRCSL may review fixed broadband tariff changes where there is evidence of excessive, discriminatory or insufficiently transparent pricing	Margin squeeze test on wholesale markets
Monitoring and reporting	Enable TRCSL to track whether the market is developing effective competition as anticipated under Criterion 2, and whether safeguards remain necessary.	Operators shall periodically report broadband subscriptions, revenue, ARPU, churn, tariff changes and complaints, disaggregated by technology (fibre, FWA, satellite, cable) where feasible.	Regulatory reporting rules; licence condition

Accordingly, the recommended approach is not immediate deregulation. Rather, TRCSL should first complete the definition and SMP assessment of the relevant upstream wholesale markets, impose proportionate remedies where necessary, and strengthen applicable consumer-protection safeguards. Once these conditions are met, TRCSL may consider a conditional forbearance decision under Section 6A(4), replacing broad retail tariff approval with targeted wholesale regulation, retail safeguards and ongoing monitoring.

Annex 1. SLT LTE map



Annex 2. Tariff comparison

Pricing Comparison of Fixed Voice only, Data only and Bundled /Combination Offers

- Voice Only Packages**

	DBN	SLT
Price with Tax (Rs.)	690/-	970/-
Local Voice	Unlimited	Unlimited
Validity	30 Days	30 Days
Tariff Approval No.	TRC/DBN/PER/23/01	TRC/SLT/PER/23/05

- Data Only Packages**

DBN			SLT		
Price with Tax (Rs.)	Data Quota (GB)	Tariff Approval No	Price with Tax (Rs.)	Data Quota (GB)	Tariff Approval No
699/-	30	TRC/DBN/PER/21/02	899/-	35	TRC/SLT/PER/25/05
999/-	45	TRC/DBN/PER/25/03	1,899/-	75	TRC/SLT/PER/25/05
1499/-	70	TRC/DBN/PRO/25/01	3,120/-	115	TRC/SLT/PER/25/05

Note : Validity periods of the above tariff plans are 30 days.

- Bundled/Combination Offers**

	SLT	DBN
Price with Taxes (LKR)	7,180/-	9,450/-
Local Voice	Unlimited	LKR 1.50 per Min.
Data / Internet	Unlimited	Unlimited
Validity	30 Days	30 Days
Tariff Approval No.	TRC/SLT/PRO/25/03	TRC/DBN/PRO/25/02